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# ***Daily Report***

## **China**

**FBIS-CHI-94-069  
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# Daily Report

## China

FBIS-CHI-94-069

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11 April 1994

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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## United States & Canada

### President Clinton Comments on Hosokawa's Resignation

OW0804224294 Beijing XINHUA in English  
2119 GMT 8 Apr 94

[Text] Washington, April 8 (XINHUA)—U.S. President Bill Clinton today telephoned Japanese Prime Minister Morihiro Hosokawa and conveyed his regret at the prime minister's decision to resign.

Clinton told reporters that he told Hosokawa he was "personally very sorry to see him step down."

Clinton "commended him for his commitment to political and economic reform in Japan," White House Press Secretary Dee Dee Myers said in a statement.

"The President expressed his hope that the process of reform would continue in Japan," she said, "the President stated that he is confident that our strong bilateral relations with Japan will continue."

Clinton praised the prime minister for his "many achievements" during his tenure in office and described Hosokawa as "a historic figure". State Department Spokesman Mike McCurry said at today's news briefing.

McCurry noted that Hosokawa's government passed historic political reform legislation that will have long-range effects on Japan's political organization.

The Hosokawa government "made important contributions to bringing the Uruguay Round to a successful conclusion, including the opening Japan's rice market," he added.

The spokesman expressed hope that the prime minister's successor and the new government of Japan will continue the "strong and cooperative working relationship" between the U.S. and Japan.

McCurry also stressed, the United States "continue to look for meaningful steps by Japan to reduce its current account surplus and address market access barriers."

### Liu Huaqing Meets Former Defense Secretary Cheney

OW0804122194 Beijing XINHUA in English  
1201 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Liu Huaqing, vice-chairman of China's Central Military Commission, met with Dick Cheney, former U.S. defense secretary and a director of the Morgan Stanley Co., here this afternoon.

In a friendly atmosphere, they exchanged views on Sino-U.S. ties and other topics of common interest.

Cheney told Liu that Morgan Stanley has been enjoying good cooperation with its Chinese partners and that it has much interest in having direct investment and joint ventures here in China.

Liu said that it is farsighted for Morgan Stanley to expand its China business now that the country enjoys political stability and sustained economic growth.

Vice-Premier Li lanqing also met with Dick Cheney.

Mr. Dick Cheney and his party are here on a visit as guests of the Chinese People's Institute of Foreign Affairs.

### Qian Qichen Meets Former Secretary Brown

OW0804132094 Beijing XINHUA in English  
1244 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with visiting former U.S. Defense Secretary Harold Brown and his party here this afternoon.

They exchanged views on Sino-U.S. relations and other international issues of common concern.

Qian said that the 20th century has seen two world wars and many regional conflicts. China hopes to see a diversified and equal world, with neither hot nor cold wars, in the coming century.

Qian stressed that there is no conflict of fundamental interests between China and the U.S., adding that the two countries should constantly promote their ties in every field.

Brown said that his current China tour is aimed at seeing old acquaintances and making new friends as well as exchanging ideas with Chinese scholars and officials on issues of common interest, which will be helpful to resolving some problems in the two countries' relations.

Brown, who is advisor to the U.S. Centre for Strategic and International Studies (CSIS), is here as guest of the China center for international studies.

### Li Lanqing Meets Former Secretary Alexander Haig

OW0904123394 Beijing XINHUA in English  
1108 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—Chinese Vice-Premier Li Lanqing met with former U.S. State Secretary Alexander Haig and his party here this afternoon.

They exchanged views on Sino-U.S. relations and other issues of common concern.

Haig and his party are here as guests of Chinese Ministry of Metallurgical Industry.



### Upcoming Sino-U.S. Technical Cooperation Talks

HK1004080094 Beijing CHINA DAILY in English  
9 Apr 94 p 1

[By staff reporter Wu Yunhe: "Song Heads Team to U.S. for Technical Cooperation"]

[Text] State Councillor Song Jian leaves for Washington today on a two-week official visit that looks to enhance technical trade between the United States and China.

Song will co-chair the sixth meeting of the Sino-US Joint Commission on Scientific and Technological Co-operation.

The minister of the State Science and Technology Commission is the highest-ranking Chinese official to visit the United States since President Jiang Zemin's trip to Seattle last November.

He leads a nine-member senior delegation to the biannual meeting scheduled for Tuesday.

Song and John H. Gibbons, Assistant to the U.S. President for Science and Technology, will co-chair the commission, which was set up 15 years ago by senior Chinese leader Deng Xiaoping and U.S. President Jimmy Carter.

Song will focus his talks with Gibbons and other U.S. officials on enhancing Sino-American co-operation in such key areas as hygiene, environmental protection, energy and raw materials.

Both sides are expected to sign framework agreements on future cooperation in science and technology, the State Science and Technology Commission said.

#### Potential

"There is a great potential in developing scientific and technological cooperation between the largest developed country and the largest developing country," it said.

China has already supplied the U.S. with more than 12,000 scientific and technical research products on agriculture, contributing to American research on disease-resistant plants.

And the Chinese Government has signed agreements with the U.S. in at least 29 sectors involving education, agriculture, marine, hygiene, environmental protection, scientific research, chemicals and energy.

These agreements outline more than 1,000 projects in science and technology, with talent exchanges of more than 10,000 people.

After staying in Washington until Wednesday, Song plans to visit Boston, New York and Detroit to meet local leaders and businessmen, further networking for high-tech contacts.

Also on the trip are Hu Qibeng, Vice President of the Chinese Academy of Sciences, Liu Jiang, Agriculture

Minister and others from the State Environmental Protection Agency, the China National Bureau of Oceanography, and the State Science and Technology Commission.

### Sino-U.S. Meeting on Illegal Immigrants Viewed

HK1004064694 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 6

[From Simon Beck in Washington]

[Text] When a delegation of senior State Department and immigration officials arrives in Beijing tomorrow, their meeting with Chinese counterparts will not be taking place under the best of circumstances. The United States had hoped to be doing nothing more painful than smoothing over minor disputes with the Chinese on how to combat alien smuggling, and on arrangements for sending more of the sorry boatloads back home. But the talks will now be taking place in the shadow of the mysterious ship which dropped off more than 100 Fujianese at the Virginia coast last month and disappeared into the night, embarrassing authorities who had congratulated themselves that last year's alien smuggling crisis was over.

Intelligence reports indicate that other boats may be at sea bearing human cargoes whose eventual destination is the United States. It is clear last year's high-profile defeats for the smugglers—most notably the Golden Venture and East Wood incidents—plus China's reported crackdown on activities on home soil have put only temporary hurdles in the smugglers' path.

Quite apart from last week's raids in Maryland and New York, which revealed the safe passage of the latest boat, the SUNDAY MORNING POST has learned smuggling activities are still rampant.

More than 100 illegal Chinese immigrants have been rounded up by border patrol officers in Puerto Rico this year. All had taken a one-day boat journey from the nearby Dominican Republic after tortuous round-the-world routes via Hong Kong, Europe and South America. The island has become the latest target of the smuggling gangs because of its easy access by sea, its less heavily-patrolled waters, and the fact that it comes under U.S. jurisdiction, meaning the immigrants can fly on to the U.S. mainland without needing documents. "It's a very nice way of coming in the back door," one immigration intelligence official said.

Last week, 38 Chinese, mostly Fujianese, were discovered on a beach in early morning—presumably waiting for their guide to turn up. They told investigators they had flown from Hong Kong either to London or Paris, then on to the Dominican Republic. There they waited several weeks before taking a small boat for the short trip to Puerto Rico. Another group discovered in January said they had spent many weeks passing through Brazil and Bolivia before reaching the Dominican Republic.

Investigators believed smugglers began using the new entry point after the failure of huge shiploads to make it safely to the U.S. However, the authorities believe that for every person caught, scores may be passing through undetected.

Investigators are finding that the aliens probably left China with valid exit documents, but acquired fake visas to enter transit countries in Europe and South America.

One immigration official said the authorities had been caught unawares by the audacity of the smugglers. "From my perspective, there has been a false sense of security. I think we may have let our guard down," the official said.

"The feeling was, we had some successes like the East Wood (intercepted last year off the Marshall Islands), and the Golden Venture, which was terrible publicity for the smugglers. But the series of victories was more luck than anything else. The smugglers have since changed their tactics, using smaller loads and different routes." He said that tough legislation, promised last year by President Bill Clinton, had "lost its momentum".

Although the record on catching smugglers has been reasonable, the punishments inflicted are not great. For instance, the captain and crew of the Golden Venture have been allowed to plead guilty to minor alien smuggling charges, and may escape with a few months in prison.

Likewise, many of the 15 or so alleged members of the New York-based Fuk Ching gang said to be behind the transporting and kidnapping of last year's boatloads—are negotiating guilty plea bargains with prosecutors.

A recent Justice Department memorandum confirms the administration has partly retreated. In it, Assistant Attorney-General Sheila Anthony suggests tugging certain provisions, such as increased penalties for alien smuggling, to existing bills rather than putting forward a controversial new set of laws.

Streamlining of the asylum process is occurring without the need for new legislation.

The problem is being attacked only after the illegal immigrants have been smuggled in. Gangs appear unconcerned by plans to deny work permits to asylum seekers for longer periods, or to charge applicants a processing fee. The immigration official said the alien smugglers worked under such a "complex web" of contacts and alliances that the only way to beat them was to put resources into intelligence work.

"I do think we will see more boats this summer. They've had time to regroup," he said. "But patrolling the shores is only really a last resort. The key is criminal intelligence, getting informants and penetrating the gangs."

Last week's raids on the safe houses came after a relative of one illegal immigrant tipped off the FBI that the group was being held hostage and threatened for the

US\$30,000 (HK\$232,000) smuggling fee. Without the call, "the aliens would eventually have melted seamlessly into the shadowy underworld that contained millions of illegal workers like them."

#### **Agriculture Delegation Departs for U.S. Visit**

OW1004145394 Beijing XINHUA in English  
0230 GMT 10 Apr 94

[Text] Beijing, April 10 (XINHUA)—A government agriculture delegation led by Chinese Minister of Agriculture Liu Jiating left here this morning on a two-week official visit to the United States at the invitation of the U.S. secretary of agriculture.

The delegation will discuss with the American side exchanges of agro-technology and cooperation in agriculture so as to help promote an all-round growth of Sino-U.S. relations.

#### **Northeast Asia**

#### **Liu Shuqing, ROK Official Discuss Nuclear Situation**

OW1004191064 Beijing XINHUA Domestic Service in Chinese 1457 GMT 8 Apr 94

[By reporter Tang Shuifu (3282 3055 1381)]

[Text] Seoul, 8 Apr (XINHUA)—ROK National Assembly Speaker Yi Man-sop met with the visiting Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, here today.

During the meeting, Yi Man-sop recalled with pleasure the beautiful impressions left upon him by his China visit more than two months ago. He said: Korean-Chinese relations have enjoyed very rapid development in all fields in the past year or so after the two countries established diplomatic ties. He expressed his hope that such friendly cooperation will be further strengthened.

Touching on the Korean nuclear issue, Yi Man-sop said that he personally opposes the application of pressure and sanctions against Korea (DPRK) and that he hopes the nuclear issue can be peacefully resolved through dialogue.

Liu Shuqing said: China hopes that peace and stability will be maintained on the Korean peninsula, and it hopes that conflicts will not occur. Sanctions cannot solve a problem. The Korean nuclear issue should be properly resolved through dialogue under the framework of a tripartite dialogue between the four parties.

ROK Foreign Minister Han Sung-chu also met with Liu Shuqing here today.

Liu Shuqing called on ROK Prime Minister Yi Hoe-chang in Seoul on 7 April. In their conversation, Yi Hoe-chang said: The talks between President Kim Yong-sam and Chinese leaders during his visit to China were



very helpful for developing bilateral relations. The ROK follows with great concern China's reform and opening up, and it admires China's achievements.

Liu Shuzheng said: China and the ROK share cultural ties of long standing. Relations between the two countries have enjoyed a very rapid development after they established diplomatic ties. He expressed his hope that Sino-Korean friendly cooperation in all fields will develop further.

On the same day, Liu Shuzheng also met with former ROK President No Tae-u here. Both sides held a friendly conversation.

Liu Shuzheng arrived here on 6 April to begin an eight-day visit to the ROK at the invitation of Sun Zhu-huan [name as received], chairman of the council of the ROK International Exchange Consortium.

#### Wu Xueqian Leaves for Seven-Day Visit to ROK

OW1004017294 Beijing XINHUA in English  
0717 GMT 10 Apr 94

[Text] Tianjin, April 10 (XINHUA)—Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Wu Xueqian left here today for a 7-day friendly visit to the Republic of Korea at the invitation of ROK Minister of Foreign Affairs Han Song-chu.

During his stay in ROK, Wu will exchange views with ROK leaders on issues of common concern and visit scientific research institutes and factories.

#### XINHUA Reports Arrival

OW10040194394 Beijing XINHUA in English  
0921 GMT 10 Apr 94

[Text] Seoul, April 10 (XINHUA)—Wu Xueqian, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC), arrived here today on an eight-day goodwill visit to South Korea at the invitation of Foreign Minister Han Song-chu.

Wu, speaking at Gimpo Airport upon his arrival, said the friendly cooperative relations between China and South Korea have developed quickly since the two countries established diplomatic ties in August 1992.

The China-South Korea relations which are based on the five principles of peaceful coexistence "conform to the common aspirations of China and South Korea and are also conducive to economic prosperity on both sides," Wu said.

During his visit, Wu will meet South Korean President Kim Yong-sam and National Assembly Speaker Yi Mansop as well as ruling Democratic Liberal Party (DLP) leader Kim Chong-gil and foreign minister Han Song-chu.

Both sides will exchange views on further development of relations between the two sides and the latest developments in Northeast Asia.

#### Liaoning Secretary Departs for DPRK Visit

SK1004011794 Shenyang Liaoning People's Radio  
Network in Mandarin 1000 GMT 10 Apr 94

[Text] At the invitation of the Workers' Party of Korea [WPK] committee of the DPRK's North Pyongan Province, the Liaoning provincial delegation headed by Gu Jinchu, member of the CPC Central Committee and secretary of the Liaoning Provincial Party Committee, left Shenyang on 10 April for the DPRK to pay a friendly visit to the Korean province.

During its departure from Shenyang, the provincial delegation was seen off at the railway station by Wang Huanqian, deputy secretary of the provincial party committee; Zhang Guanguang, deputy secretary of the provincial party committee and concurrent secretary of the Shenyang city party committee; Shang Wen, secretary of the provincial discipline inspection commission; Wen Shichen, vice governor of the province; Cai Wenxin, Wang Zhunde, and Wu Dengyong, deputy secretaries general of the provincial party committee; Li Binghua, deputy secretary general of the provincial people's government; Tao Jingnan, deputy director of the provincial foreign affairs office; as well as leading personnel from the relevant departments.

Also seeing the delegation off at the railway station was Cho Kil-chun, consul general of the DPRK Consulate in Shenyang.

#### XINHUA: Seoul Reviews Policy Toward DPRK

OW10040124394 Beijing XINHUA in English  
1159 GMT 8 Apr 94

["Seoul Reviews Policy Toward DPRK"—XINHUA headline]

[Text] Seoul, April 8 (XINHUA)—The South Korean Government held a meeting today to review its overall policy toward the Democratic People's Republic of Korea (DPRK).

The meeting, the first one on unification and security policy coordination, decided that all unification matters, diplomacy related to the DPRK and security problems should be discussed among various ministries so as to harmonize their views.

The various ministries and secretariats should push ahead with the policies of unification and security under the principle that the government must seek progress in inter-Korean relations.

The meeting was presided over by minister of the National Unification Board (NUB) Yi Yong-ok and attended by heads of the foreign and defense ministries.

the Agency for National Security Planning, Presidential Secretariat as well as Secretariat for Foreign and National Security Affairs.

"We looked into the overall situation of unification and security" following the United Nations Security Council's presidential statement on the DPRK's nuclear issue and the suspension of inter-Korean working-level contact, NUB Minister Yi said after the meeting.

The government ministries and departments concerned will discuss every relevant policy to iron out their differences, Yi added.

Coordination meetings will be held more than once a week and President Kim Yong-sam will chair the sessions when necessary, according to official sources.

#### Reportage on Resignation of Japan's Prime Minister

##### Resigns Over Diet Statement

0908140134034 Beijing XINHUA in English  
1304 GMT 8 Apr 94

##### ["Hosokawa Quits Over Diet Statement"]

[Text] Tokyo, April 8 (XINHUA)—Prime Minister Morihiro Hosokawa announced his resignation today to "take moral responsibility" for money scandals that have stalled Diet (Parliament) debate on the fiscal 1994 budget.

Hosokawa said at a news conference he decided to step down after new allegations were revealed about financial dealings involving his private office.

The new allegations came to his attention Thursday (7 April) night, Hosokawa said, adding that he made up his mind to quit his job after barely eight months to pave the way for resuming the Diet business.

Hosokawa said the new allegations include receiving interest on a 100 million yen (450,000 U.S. dollars) loan from the scandal-ridden Sagawa Kyubin parcel delivery group as political contributions and obtaining profits via dealings by using political contributions.

He asserted that he was not aware of any of the alleged deals.

Hosokawa said his office allegedly made the profits for several years from 1981.

Hosokawa, 56, became prime minister of a seven-party coalition government last August, ending the 36-year-long grip on power by the Liberal Democratic Party (LDP).

Hosokawa opened his 30-minute news conference with a brief statement on a list of achievements and unfinished jobs under his administration.

The announcement came only two days after a media frenzy over reports on his joking about resigning, which he strongly denied.

Prior to the news conference, he suddenly summoned the leaders of the coalition to his official residence and told them he was quitting.

At the emergency cabinet session, Hosokawa reiterated that he repaid the 100 million yen loan in 1982 from Sagawa and denied that he was personally involved in a 1986 Nippon Telegraph and Telephone Corp. share purchase, which claimed was a deal by his late father-in-law.

But he said he should take the responsibility for the current political turbulence triggered by the wranglings between the coalition and the opposition camp over his questionable financial affairs.

The LDP has been boycotting the debates on the state budget for fiscal 1994, which began on April 1, at the House of Representatives Budget Committee, it has demanded a Diet testimony of Hosokawa's former secretary, who was in charge of his financial affairs when he borrowed the money from Sagawa.

The government is currently running on a 50-day stopgap budget.

"However, to my regret, I could not fully address the issues of drastic educational reform and administrative reform for the new era," Hosokawa said at the press conference.

During his eight-month term as premier, Hosokawa achieved political reform and helped conclude the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade.

However, he has yet not finished such jobs as tax and pension reforms, decentralization and greater transparency of government operations.

Hosokawa said it is "extremely regrettable" that the financial affairs involving his office and his late father-in-law have stalled the Diet business.

Meanwhile, Tsutomu Hata, deputy prime minister and foreign minister, is widely viewed here as the most possible successor to Hosokawa.

##### Hata Denies Succession Intentions

090814014744 Beijing XINHUA in English  
1135 GMT 8 Apr 94

[Text] Tokyo, April 8 (XINHUA)—Japanese Foreign Minister Tsutomu Hata today denied that he has the intention of succeeding Morihiro Hosokawa to become prime minister. KYODO NEWS SERVICE reported.

Hata, also deputy prime minister, told a hastily arranged press conference at the Foreign Ministry that he considers it is more important to make adjustments within

the ruling coalition government than to become the next prime minister, KYODO said.

He also said the next cabinet must be a stable and full-fledged one, according to the news agency.

However, a senior member of Shinseito, a powerful party in the coalition government, said it would push for its leader Hata as the next premier, TV reports said.

Tan Hajime Furuda, former state minister for economic planning, had this to add, "there is the question of how we should address this within the current coalition framework. It is a delicate thing to find a balance."

### Spokesman Views Resignation

09000140120404 Beijing: NPMRUC in English  
1140 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that Japanese Prime Minister Morihiro Hosokawa's resignation is the internal affair of Japan.

When asked to make a reaction to Hosokawa's resignation, the spokesman said: "We've taken note of this news. This is the internal affair of Japan."

"Prime Minister Hosokawa has made precious efforts for promoting the development of the friendly relations between China and Japan. We hope that the Sino-Japanese relations will continue to develop steadily and soundly," he added.

### "News Analysis" Assesses Effects

09000140120524 Beijing: NPMRUC in English  
1250 GMT 8 Apr 94

["News Analysis" by Tan Jianming: "Hosokawa's Resignation Deepens Political Turmoil"]

[Text] Tokyo, April 8 (XINHUA)—Prime Minister Morihiro Hosokawa's sudden announcement today to resign because of his alleged financial deals sent shock waves throughout Japan and further deepened the country's political turbulence, observers say.

Hosokawa's decision was triggered by further revelations yesterday of his earlier financial deals and delays in the Diet (parliament) debate over the country's 1994 fiscal policy, which has been stalled for over a month.

It could also speed up the polarization of the seven-party ruling coalition, already on the verge of division.

Public attention is now focused on who will be named to succeed Hosokawa, who took office last August, whether his coalition can retain its clump on power and whether his action will prompt a major political regrouping.

The coalition is fast polarizing into two groups—Shinseito (Japan Renewal Party), Komeito (Clean Government Party) and their supporters in Hosokawa's Japan New Party (JNP) on the one hand, and the Social

Democratic Party (SDP), the United Socialist Democratic Party (USDP) and their JNP backers on the other.

Observers say if the division becomes permanent, Hosokawa, still JNP leader, and Ichiro Ozawa, Shinseito co-leader, may abandon the latter group and seek out opposition Liberal Democratic Party (LDP) members who are critical of the ability of their party leadership to form a new government.

If this forecast materializes, Japan's political reorganization would sweep into act 2 of a drama which began last summer with the ending of the LDP's 36-year-long grip on power.

The Diet was sent into a spin by Hosokawa's alleged shady financial deals, which go back to the early 1980's when he was a House of Councillors member. Suspicions have grown largely because Hosokawa's own account of the events have kept changing.

In 1982, he borrowed 100 million yen (450,000 U.S. dollars) from Sagawa Kyubin Co., a scandal-ridden trucking firm. He claimed the cash was for repairs to his home in Kumamoto Prefecture and has insisted that the loan was repaid in full.

But the opposition camp has pointed to irregularities in the papers Hosokawa presented to the Diet, such as entries in Sagawa account books that list transactions on days when the firm was closed or on dates that do not show up on the calendar, such as Sept. 31.

In addition, a document Hosokawa claims is a receipt for repayment has no company seal or signatures. Such discrepancies have critics doubting the authenticity of the papers.

Hosokawa has admitted some of the documents are "not in order", but said they were papers given to him by Sagawa after his own records of the transaction could not be found.

Hosokawa is also plagued by allegations that he, and not his late father-in-law as he maintains, purchased 300 shares of Nippon Telegraph and Telephone Corp. (NTT) in 1986.

Of the 300 NTT shares officially registered with the father-in-law, 199 shares were sold after the stock was listed in early 1987, while the remaining 101 were passed on to Hosokawa's wife after her father's death.

Announcing his resignation at a press conference, Hosokawa said he made the decision after new allegations were revealed about financial dealings involving his private office.

He said he should take moral and political "responsibility" for the dealings, even though he was not aware of them.

However, observers say Hosokawa's resignation came after the former Kumamoto governor failed to dismiss



the mounting doubts over his own financial affairs. As one senior LDP official has said: "I find it hard to believe that the prime minister refuses to actively take the necessary steps to dispel the suspicions surrounding him."

Hosokawa's resignation has ended the continuing rift between the ruling coalition and the opposition camp over the premier's dubious deals, thus paving the way for the Diet to start, at last, deliberations on the budget for fiscal 1994, which began on April 1.

The row has delayed the start of the budget debate and the government is currently working on a 51-day stopgap budget.

Analysts say the Diet now faces a number of pressing issues that are no different now, including stimulation of the sluggish economy, resolution of the strained Japan-U.S. relationship, caused by the impasse in the bilateral trade framework talks and handling of growing tension over the nuclear issue on the Korean peninsula.

Meanwhile, Foreign Minister Tsutomu Hata was scheduled to leave for Marrakesh, Morocco, next Tuesday for the signing ceremony of the new global trade agreement concluded last December under the General Agreement on Tariffs and Trade.

It is, however, not known whether Hata, the most powerful candidate for the premiership, can now actually go to Morocco amid such political turmoil at home, observers say.

They say the domestic political unrest will in turn affect Japan's ties with the United States, over which a shadow has already been cast by the breakdown of the trade talks in February.

#### **Socialists To Accept Coalition Consensus**

OW/1994/130994 Beijing MINHUA in English  
1126 GMT 8 Apr 94

[Japan Socialists To Accept Coalition Consensus on New Premier"—MINHUA headline]

[Test] Tokyo, April 8 (MINHUA)—The Social Democratic Party of Japan (SDP), the largest political force within the ruling coalition government, said today it will accept a consensus among the ruling parties on who should become the next prime minister to succeed Morihiro Hosokawa.

SDP Chairman Tomiichi Murayama made the remarks when he met reporters shortly after Hosokawa announced he was resigning.

The SDP differs from Shinseit, another powerful group within the seven-party coalition, over major policies including defense and tax.

However, asked what the SDP would do if Shinseit leader and Foreign Minister Tsutomu Hata is picked up

as new premier, Murayama said if the coalition parties reach an agreement on it, "we will cooperate with the agreement."

A meeting of representatives from the ruling coalition partners is currently under way to discuss who will succeed Hosokawa.

Murayama also said the coalition government should not change its present seven-party structure.

#### **Coalition Fails To Choose Successor**

OW/1994/140744 Beijing MINHUA in English  
1408 GMT 9 Apr 94

[Test] Tokyo, April 9 (MINHUA)—Japan's coalition government ended a closed-door meeting today without reaching a decision on the choice of a new prime minister to replace Morihiro Hosokawa who announced his shock resignation yesterday.

However, leaders of the ruling coalition, attending the session without Hosokawa, said they have agreed in principle to form a new government within one week and pick a new leader.

Hosokawa refused to predict who will be his successor, saying that it is imprudent to name the next premier, or even to take part in discussions to name him.

Meanwhile, Tsutomu Hata, deputy prime minister and foreign minister, is widely viewed here as the most possible successor to Hosokawa.

The opposition Liberal Democratic Party, who governed for nearly four decades until they were toppled by Hosokawa's coalition last year, were trying to determine if the unexpected turn of events would give them a chance to again seize control.

There has also been speculation that former Foreign Minister Ichiro Watanabe could defect from the Liberal Democrats, bringing his faction into the coalition and making a bid for its leadership and thus the prime ministership.

Hosokawa, the 56-year-old prime minister who took office last August, stepped down amid mounting pressure over alleged past financial improprieties.

Debate over the scandal has blocked parliamentary business for the past month, halting work on the budget for this fiscal year and other issues.

During his eight-month term as premier, Hosokawa achieved political reform and helped conclude the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade.

However, he has yet to finish such jobs as tax and pension reforms, decentralization and greater transparency of government operations.

### 'News Analysis' on Selection

OW1004175494 Beijing XINHUA in English  
1557 GMT 10 Apr 94

["News Analysis" by Tan Jianrong: "Choice of Hosokawa's Successor Splits Coalition"]

[Text] Tokyo, April 10 (XINHUA)—While coalition leaders stressed today that the framework of the current coalition should be preserved, many analysts doubt whether the coalition government will be able to agree on a new leader, let alone solidly unite behind one.

The coalition is deeply divided over Japan's future political alignment.

It is also doubtful whether a new coalition leader will be able to effectively tackle a horde of issues such as winning Diet (parliament) approval for the fiscal 1994 budget, implementing economic reforms, deregulating government controls on businesses and defusing Japan-U.S. trade tensions.

As representatives of the seven ruling coalition parties ended talks today aimed at picking a successor to outgoing Prime Minister Morihiro Hosokawa, discord among them over who should be chosen and how to choose is pushing an already fragile alliance to the verge of division.

The Social Democratic Party (SDP), the largest political force in the coalition, proposed holding a meeting of coalition leaders on Monday [11 April] to name a successor, party officials said.

The SDP, new party Sakigake (Harbinger) and the Democratic Socialist Party (DSP) are fighting the proposal by Shinseito (Japan Renewal Party) and Komeito (Clean Government Party) to pick Hosokawa's successor through representative dialogue.

The SDP told other coalition partners it was skipping the next round of talks, scheduled for this afternoon.

Sakigake leader Masayoshi Takemura, who is also chief cabinet secretary in the Hosokawa administration, has said that talks among party representatives are no longer functioning. He has proposed that coalition leaders meet to discuss the formation of a post-Hosokawa cabinet.

Rivalry within the eight-month-old coalition has intensified over the selection of a successor since last Friday when Hosokawa abruptly decided to step down and take responsibility for dubious financial dealings, and for the month-long deadlock in the Diet over the state budget for fiscal 1994.

Although coalition leaders agreed Saturday to pick Hosokawa's successor and to form a new cabinet by the end of this week, the SDP is resisting a move to name Foreign Minister Tsutomu Hata, one of the most promising candidates for the premiership, as new prime minister.

The Shinseito party, led by Hata, and the Komeito party envision a new government made up of parties which are in full accords on key issues such as tax reform and the nuclear situation in the Korean peninsula.

The SDP disagrees with this stand, saying that the top priority should be how to maintain the framework of a unified coalition and keep it in power.

According to political analysts, in the event of a new realignment of political parties, former Foreign Minister Michio Watanabe and former Prime Minister Toshiki Kaifu, both from the opposition Liberal Democratic Party (LDP), may emerge as front runners for the premiership.

Watanabe has maintained close relations with Ichiro Ozawa, Shinseito co-leader and the main strategist of the coalition, even though Ozawa bolted the LDP last summer to form the Shinseito party.

Appearing on television today with Hata and two other coalition leaders, Watanabe, also a former vice premier, signaled his willingness to run for prime minister if there are a "comfortable" number of LDP members who will support him.

However, SDP Chairman Tomiichi Murayama voiced skepticism about working together with the LDP saying, "there is no such possibility."

Differences in political outlook among coalition leaders became clear one month ago when discussions began on coalition members forming a single party.

Plainly put, the second act of Japan's political regrouping is now in progress. Act one was the fall of the LDP, which had dominated Japan's scandal-ridden political world for an uninterrupted 38 years, and the birth of the Hosokawa-led coalition government.

There now appears to be two options for the second realignment, political sources said. One would be the formation of a triangular structure made up of the LDP, a group encompassing Shinseito and Komeito, and a third bloc comprising the SDP, the DSP, and Sakigake. The other option would lead to two large conservative parties, one led by the LDP and the other by newer conservatives.

Power struggles between the Shinseito-Komeito-JNP [Japan New Party] camp on one hand and a group comprising the SDP, the DSP and Sakigake on the other has intensified as the former has tried to unify the coalition members into one party.

They maintain that the coalition must unite as one party under a new electoral system to prevent the opposition LDP from recapturing power in the next general election.

Some analysts have long predicted that the Hosokawa government was doomed because political reform was

achieved in January focusing on the introduction of a new single-seat electoral system for the House of Representatives.

After accomplishing this reform, Hosokawa charted new political terrain by proposing economic and administrative reforms as new policy goals. Since then, the coalition government has been troubled by internal divisions.

The Hosokawa cabinet will remain as caretaker until a new prime minister is chosen by the end of this week. No matter who takes the reins of the new government, there is a bumpy road ahead for the ruling coalition.

### Southeast Asia & Pacific

#### Tripartite Border Agreement With Laos, Burma

OW0804140294 Beijing XINHUA in English  
1316 GMT 8 Apr 94

[Text] Yangon [Rangoon], April 8 (XINHUA)—A signing ceremony of the agreement between China, Laos and Myanmar [Burma] on the demarcation of the trijunction point of the common boundary was held here today.

In order to further strengthen and enhance the existing good-neighboring friendly relations among the three countries and to build the boundary trijunction area into a border of permanent peace, friendship and cooperation, the governments of China, Laos and Myanmar have resolved to conclude the agreement after friendly consultations.

The agreement was signed here by Chinese Ambassador to Myanmar Liang Feng, Lao Ambassador to Myanmar Kideng Thammavong, and director-general of consular, international law and treaties and research department of Myanmar Foreign Affairs Ministry U Aye Lwin on behalf of their respective governments.

#### Li Lanqing Meets Malaysian State Chief Minister

OW0904123294 Beijing XINHUA in English  
1103 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Kon Tsu Koon [spelling of name as received], chief minister of Malaysian Penang State, and his party here this afternoon.

Kon and his party are here on a visit to China as guests of Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC).

Vice-Minister Li Guohua of MOFTEC was present on the occasion.

#### Malaysian Minister Meets Visiting Official

OW0704150694 Beijing XINHUA in English  
1307 GMT 7 Apr 94

[Text] Kuala Lumpur, April 7 (XINHUA)—Malaysia's Foreign Minister Abdullah Ahmad Badawi today met with visiting Chinese Vice Foreign Minister Tang Jiaxuan. The two sides expressed during the meeting the confidence that the existing bilateral friendly relations would be enhanced.

Abdullah and Tang reviewed with satisfaction the all-round fruitful cooperation between the two countries since their establishment of diplomatic relations on May 31, 1974.

Both believed the bilateral cooperation was very important to the prosperity of the two countries and the stability of the region.

Tang arrived here on Tuesday [5 April] to attend the third round of consultation between officials of the foreign ministries of the two countries.

During a consultation meeting yesterday, Tang and Ahmad Kamil Jaafar, secretary-general of the Malaysian Foreign Ministry, exchanged views in a friendly and cordial atmosphere on bilateral, regional and international issues, and reached a broad consensus.

The two sides also discussed the issue of the Nansha [Spratly] Islands and arrived at understanding to some extent.

The Chinese side pointed out that the Nansha Islands have been China's territory since old times, judging either from the historic origins or legal principles. China holds indisputable sovereignty over the Nansha Islands and their surrounding sea waters.

He said that countries concerned should seek peaceful solution to the dispute over Nansha through negotiations. In this respect, he proposed, the sole effective way towards a possible solution and to peace and cooperation is to shelve the dispute for joint exploitation of Nansha.

The Chinese side noted that this proposal was entirely based on the consideration of advancing Sino-Malaysian friendship and maintaining peace and stability in the region.

Tang also put forward several principal viewpoints on the subject for the Malaysian side to consider.

Kamil Jaafar expressed his consent to the idea for a solution of the Dispute over Nansha in a peaceful manner through dialogue and consultation.

He said the Malaysian side will seriously study the views of the Chinese side, and will further discuss within a bilateral framework with the Chinese side the joint exploitation of Nansha by shelving the dispute.



The Chinese vice-minister and his party left here for Brunei today.

#### **Zou Jiahua Meets Singapore Communications Minister**

OW0804131094 Beijing XINHUA in English  
1129 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with visiting Singapore Minister of Communications Mah Bow Tan and his party here this afternoon.

The Singapore visitors arrived here yesterday. During his stay here Mah will hold talks with Chinese Minister of Posts and Telecommunications Wu Jichuan and the two ministers will sign an agreement on China-Singapore cooperation in posts and telecommunications.

#### **Liu Huaqing Meets Vietnamese Military Chief**

OW1004130894 Beijing XINHUA in English  
1242 GMT 10 Apr 94

[Text] Beijing, April 10 (XINHUA)—Liu Huaqing, vice-chairman of China's Central Military Commission, said here today that China attaches great importance to developing its good-neighborly ties with Vietnam.

The growth of such a relationship will benefit the stability in the whole region, said Liu at a meeting with Dao Dinh Luyen, chief of the General Staff of the Vietnamese People's Army, here this afternoon.

Liu said that over the past few years bilateral ties between China and Vietnam have soundly developed. Both countries adhere to engaging in reform and opening to the outside world under socialist conditions, which he said will help facilitate mutual cooperation.

He said China and Vietnam both need a peaceful and stable international environment. Developing their good-neighborly relations will be conducive to boosting the economic growth of the two countries and improving their people's living standards.

Liu expressed the belief that Dao's visit to China will be of great importance to the promotion of friendship between the two peoples and the two armed forces.

He said it is his hope that the two sides will increase their mutual understanding and trust through the frequent exchange of visits.

Liu said differences existing between the two sides can be narrowed through peaceful means and consultations.

Dao told Liu that this morning he held talks with his Chinese counterpart Zhang Wannian on strengthening the ties between the two armies in a candid, friendly and sincere way.

Vietnam is determined to continue its efforts to enhance the traditional friendship between the two countries and the two armies, he said.

He wished China greater success in building socialism with Chinese characteristics.

General Zhang Wannian attended the meeting.

Dao and his party are the guests of Zhang Wannian, chief of General Staff of the People's Liberation Army.

Zhang presided over a ceremony to welcome Dao and talked with him this morning. Zhang also hosted a banquet for him this evening.

#### **Qiao Shi Talks With Vietnamese Military Leader**

OW1104132694 Beijing XINHUA in English  
1309 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Qiao Shi, chairman of the National People's Congress Standing Committee, said here today that relations between China and Vietnam should continue to develop on the basis of traditional friendship.

China is willing to strengthen its cooperation in various fields with Vietnam, because closer cooperation between the two countries would benefit peace and stability not only in Asia, but in the whole world, said Qiao at a meeting here this afternoon with Dao Dinh Luyen, chief of the General Staff of the Vietnamese People's Army, and his party.

Generally speaking, ties between China and Vietnam have soundly developed, Qiao said, and differences existing between the two countries can gradually be narrowed through consultations on an equal footing.

Qiao also briefed the guests on the current situation of China's reform and opening to the outside world, as well as the building of a socialist market economy with Chinese characteristics.

Dao told Qiao that the Vietnamese people would never forget the long-term support the Chinese people offered, and the Vietnamese Army hopes that its friendly relations with the Chinese People's Liberation Army can be strengthened.

#### **Chen Xitong Meets Vietnamese Party Delegation**

OW1104081194 Beijing XINHUA in English  
0744 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Chen Xitong, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and secretary of the CPC Beijing Municipal Committee, met with a delegation from the Communist Party of Vietnam (CPV) here today.

The delegation, headed by Nguyen Tan Dung, member of the CPV Central Committee and secretary of the CPV Kien Giang Provincial Committee, arrived here April 9 as guests of the CPC.

The delegation is also scheduled to visit South China's Hainan and Guangdong Provinces.

#### **Beijing, SRV Sign Tourism Accord in Hanoi**

OW0804121794 Beijing XINHUA in English  
1132 GMT 8 Apr 94

[Text] Hanoi, April 8 (XINHUA)—China and Vietnam signed a cooperation agreement on tourism in Hanoi today.

The accord provides for government support for companies of the two sides to organize tours to each other by their own citizens and people from a third nation.

Under the agreement, both parties should also encourage their travel services to conduct more business contacts and to invest in each other's tourist sectors in accordance with the relevant laws of the host country.

Vietnamese Vice Prime Minister Nguyen Khanh met this morning with Liu Yi, director of China's National Tourism Administration, who signed the agreement with his Vietnamese counterpart Do Quang Trung.

Praising the agreement, Nguyen said that a strengthened tourist industry will be of great significance for promoting better understanding between the two peoples.

#### **PRC, Vietnam Sign Accord on Transit of Goods**

OW0904094194 Beijing XINHUA in English  
0832 GMT 9 Apr 94

[Text] Hanoi, April 9 (XINHUA)—China and Vietnam signed here today an agreement on goods in transit.

Under the agreement, China and Vietnam permit each other's commodities to or from a third country to pass through their territories.

Zhang Qing, Chinese ambassador to Vietnam, signed the accord with Vietnamese Vice Minister of Trade Truong Dinh Tuyen.

The passable goods do not include those banned from importation or exportation by the regulations of the country concerned.

The accord will become effective from the date of signature.

### **Near East & South Asia**

#### **PLO Foreign Minister Faruq Qaddumi on Visit**

##### **Foreign Ministers Hold Talks**

OW0804130194 Beijing XINHUA in English  
1244 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen reiterated here today that China would hope concerned parties take more flexible and practical steps for comprehensive progress in the peace process of the Mideast.

Qian made the remarks when holding talks with Faruq Qaddumi, foreign minister of the State of Palestine, who arrived in Beijing on Thursday [7 April] for a six-day visit to China.

Qian said that disputes between countries can only be settled through peaceful negotiations, which he said was well demonstrated by the signing of an agreement between Israel and the Palestine Liberation Organization (PLO) on implementing a declaration of principles for Palestinian self-rule on the West Bank and in Gaza.

The Mideast issue is a regional conflict which has lasted longest, ever since the end of the Second World War, Qian said, and the road to peace is still long and difficult.

He said that the Hebron massacre which occurred this February shows it an urgent issue to settle Palestinian question.

Qian said that China firmly supports the Mideast peace process and will, as always, support the just cause of the Palestinians.

Qaddumi, also director of the Political Department of the Palestine Liberation Organization, offered a detailed account of negotiations between Palestine and Israel as well as between other Arabian countries and Israel, and the situation in the occupied territory.

Qaddumi stressed that the security of the Palestinians in the occupied territory should be guaranteed according to the resolutions adopted by the United Nations, and his organization will continue to make efforts for a political settlement of the Palestinian issue.

He also called for an early military pull-out by Israel so as to ensure a smooth implementation of the agreement on Palestinian self-rule on the West Bank and in Gaza.

The Palestinian foreign minister extended his thanks for the support from the Chinese Government and the Chinese people for the just cause of the Palestinian people.

Following the talks, the two ministers signed an agreement on economic and technical cooperation between the two countries, according to which China will provide an interest-free loan of 75 million yuan renminbi.

This is the second loan China has granted to Palestine. Last year, it offered a loan of 30 million yuan renminbi to Palestine, which is also free of interest.

According to an exchange of letters which was also signed today, China gave half a million U.S. dollars in cash as a gift to Palestine.

#### **Rong Yiren: PRC Supports Peace Process**

OW0904085094 Beijing XINHUA Domestic Service in Chinese 0735 GMT 9 Apr 94

[Text] Beijing, 9 Apr (XINHUA)—During a meeting with Qaddumi, foreign minister of the State of Palestine and chairman of the Political Department of the PLO, at the Great Hall of the People this morning, Vice President Rong Yiren said China has consistently stood for seeking a political solution to the Middle East question on the basis of the United Nations' relevant resolutions.

Rong Yiren said: The signing of an agreement on autonomy between Palestine and Israeli shows that the Palestinian issue can be solved through peace talks.

He said: China hopes the relevant resolutions on the situation in the Palestinian occupied territories, which were adopted by the United Nations Security Council recently, will be implemented, and hopes that all relevant parties will continue to work hard for realizing all-around peace in the Middle East region at an early date.

Rong Yiren said: China supports the peace process in the Middle East and, as always, supports the Palestinian people's cause in restoring their legitimate national rights. China believes that the traditional friendship and friendly cooperation between the people of the two countries will continue to develop.

Rong Yiren asked Qaddumi to convey President Jiang Zemin's and his personal regards to President 'Arafat.

Qaddumi conveyed President 'Arafat's regards to Jiang Zemin, Rong Yiren, and other Chinese leaders.

The foreign minister also briefed Rong Yiren on the current situation in the Middle East and noted that the PLO will strive to continue the peace negotiations patiently in order to realize the Palestinian people's legitimate national rights at an early date.

#### **XINHUA Interviews Qaddumi**

OW1004040494 Beijing XINHUA in English 0317 GMT 10 Apr 94

[Text] Beijing, April 10 (XINHUA)—Faruq Qaddumi, foreign minister of the State of Palestine, said that the Palestinian issue should be solved according to relevant U.N. resolutions, and that the Palestine Liberation Organization (PLO) will continue to make efforts for a political settlement of the issue.

Qaddumi, also director of the PLO Political Department, made the remarks in an interview with XINHUA yesterday.

Qaddumi arrived in Beijing on Thursday [7 April] for a six-day visit to China as guest of Chinese Vice Premier and Foreign Minister Qian Qichen and left here today for Tianjin, a north China port city.

Qaddumi told XINHUA that his current visit here is to further strengthen the friendly cooperative relations with China and the traditional friendship between the Palestinian and Chinese peoples.

He said that during his stay in Beijing, he held talks with his Chinese counterpart Qian Qichen and met Chinese Vice President Rong Yiren, and exchanged views with them on the Middle East issue while briefing them on the negotiations between Palestine and Israel as well as between other Arab countries and Israel, and the situation in the occupied territory.

Qaddumi stressed that Israel should withdraw from the occupied territory so as to ensure a smooth implementation of the agreement on Palestinian self-rule on the West Bank and in Gaza.

He said that the PLO will make efforts and continue peaceful negotiations for an early realization of the legitimate rights of the Palestinians.

The foreign minister, who has visited China eight times, expressed his thanks for the consistent support from the Chinese Government and the Chinese people for the just cause of the Palestinian people.

He regarded the Palestine-China agreement on economic and technical cooperation signed by him and Vice Premier Qian as an important result of his current visit, according to which China will provide an interest-free loan of 75 million yuan renminbi.

#### **West Europe**

##### **Further on Visit by French Prime Minister**

##### **Leaders Meet Balladur 8 Apr**

OW0804145994 Beijing XINHUA in English 1432 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—Chinese President Jiang Zemin and Vice-Premier Zhu Rongji respectively met visiting French Prime Minister Edouard Balladur and exchanged views with him on promoting Sino-French relations here this afternoon.

Jiang emphasized that it is very important to maintain a sound cooperative relation between China and France in a complex and volatile world.

Zhu said it takes time and energy to restore and improve Sino-French trade and economic relations. He believes they will grow quickly through joint efforts.



Balladur said the two countries have identical or similar views in many fields, and there is a large room to improve bilateral ties.

Jiang hailed the normalization of Sino-French relations, and appreciated Balladur's efforts in restoring and improving bilateral ties after he took office.

Jiang believed that Balladur's current tour will lead to further development of Sino-French relations.

Jiang said China and France, with long history and splendid cultures, have contributed greatly to the world civilizations, and the two peoples enjoy traditional friendship and friendly cooperations.

Jiang said since China and France established diplomatic ties some 30 years ago, effective cooperation in the fields of politics, economy and trade, science and technology and culture have been conducted, despite the difficulties and bumps facing the two countries.

"We consider it very wise and foresighted decision made by late Chairman Mao Zedong, Premier Zhou Enlai and General de Gaulle to cement diplomatic ties when looking back the development of Sino-French relations," Jiang said. [sentence as received]

He emphasized that as permanent members of the UN Security Council, China and France should contribute more to safeguarding world peace and security, he said.

China and France have good basis of cooperation given that they have no fundamental interests conflicts while holding identical or similar views on many major international issues, he said. [sentence as received]

The two countries are complementary economically, which provide good conditions for trade and economic cooperation, Jiang said, adding that he believe Sino-French trade and economic cooperation will rise to a new height and a lot more concerned will be done once a favourable political atmosphere is created and bilateral political relations improved.

Balladur extended President Mitterrand's greetings to Jiang and invited him to visit France on behalf of Mitterrand.

Balladur said Mitterrand looked forward to further development of France-China relations.

Jiang thanked for the invitation and asked Balladur to convey his greetings to Mitterrand.

In another meeting, Vice-Premier Zhu Rongji told Balladur that China appreciates his speech in Paris that France-China relations have entered a new phase.

Zhu added that China is willing to exert efforts to develop its relations with France.

Balladur said his talks with Premier Li Peng yesterday indicated that France and China share many identical or similar views, there is a great potential for improvement of bilateral cooperation.

Zhu and Balladur exchanged views on how to develop Sino-French trade and economic relations in a sincere and friendly atmosphere.

He also briefed the guest on China's reform and opening-up.

Among those present at the meeting were chairman of the Chinese Government Reception Committee and Minister of Power Industry Shi Dazhen, French Foreign Minister Alain Juppe and Minister of Industry, Posts, Telecommunications and Foreign Trade Gerard Longuet.

Besides meeting with Chinese leaders, the French Prime Minister visited Beijing Zhong-Pu Electro Refractory Co., Ltd. and the Forbidden City this morning.

Zhong-Pu is the first joint venture in the Chinese electro refractory industry, co-sponsored by the original Beijing Glass Refractory Factory and S.E.P.R., a French company taking a leading position in the electro fused industry world-wide.

Balladur expressed his admiration when seeing the well-preserved Forbidden City, saying "Chinese, like other peoples in the world, have bestowed new vitality on history."

Tian Jiyun, vice-chairman of the Standing Committee of the National People's Congress, today met and hosted a banquet for the two vice-presidents of France's National Assembly, Gilles de Robien and Pierre-Andre Wiltzer, accompanying Balladur to China.

#### Balladur Holds News Conference

OW0804153994 Beijing XINHUA in English  
1453 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—French Prime Minister Edouard Balladur today expressed his hope that France-China relations will be further strengthened.

Speaking at a press conference here this evening, the prime minister said that during his stay in Beijing, he had met with Chinese leaders and during the meetings they all expressed their satisfactions over the current Sino-French relations. They pledged to conduct more political dialogues and establish closer relations of cooperation in economy, science and technology between the two countries, Balladur said.

He said that France will pay close attention to the economic development in the Asian region, and enhance its exchanges with Asian countries, especially with China.

Since both France and China are nuclear powers and permanent members of the U.N. Security Council, Balladur noted, they should play a more important role in international affairs to safeguard world peace.

He said that he had in-depth discussions with the Chinese leaders on world political situation and the Asia-Pacific region in particular. In the discussions, he said, both he and the Chinese leaders hoped that France and China would cooperate more closely in world affairs.

Now the opportunities for the two countries to establish closer cooperation in economic and other fields are ripe, he said, adding that the two should grasp them with joint efforts.

On issues of China's re-entry in GATT, Balladur said that China was a signatory party in GATT and now it is playing a more and more important role in the world trade. Therefore, he said, its request for the restoration of its status of a signatory party in the organization is quite logical and reasonable.

Answering questions concerning the human rights issue, Balladur said that France attaches importance to the issue, adding that it holds that specific conditions of each nation should be taken into consideration.

Balladur and his party are scheduled to leave here for Shanghai tomorrow.

#### AFP on Balladur's Comments at Briefing

HK0804132194 Hong Kong AFP in English 1254 GMT 8 April 94

[Text] Beijing, April 8 (AFP)—French Prime Minister Edouard Balladur said Friday discretion was more effective than publicity in promoting human rights and refused any comment on the second detention within a week of a leading Chinese dissident.

"In this matter, discretion is a more effective approach than publicity," the prime minister told a press conference at the end of a two-day stay in Beijing.

Balladur repeatedly declined to provide any details of a 20-minute closed-door meeting on human rights with his Chinese counterpart Li Peng and their respective foreign ministers, stressing that he had "said in private all that I had to say."

"I said it in private because I thought it was more useful," he added. His remarks followed the detention Friday of leading dissident Xu Wenli and the arrest one week ago of China's most celebrated pro-democracy activist Wei Jingsheng.

Xu's detention was particularly embarrassing to the French government, given the dissident's known interest in France, especially its revolutionary history.

Balladur, on the first official visit here by a French premier in 16 years, refused to say if he had discussed Wei's detention or handed a list of dissidents to the

Chinese authorities. He also confirmed that he had handed a letter to Chinese President Jiang Zemin from his French counterpart Francois Mitterrand, inviting him to visit France. However, in an apparent departure from usual protocol, no invitation was extended to Li Peng.

#### French Prime Minister Visits Shanghai

OW0904141094 Beijing XINHUA in English 1358 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—French Prime Minister Edouard Balladur called for Chinese entrepreneurs here today to come to France to join with French partners and become part of the French market.

During his meeting with Wu Bangguo, secretary of the Chinese Communist Party Shanghai Committee, Balladur also expressed his hope that there would be more Sino-French joint ventures in Shanghai.

Wu gave the French prime minister a brief introduction of Shanghai's reform and opening and the development of the Pudong development zone.

Balladur and his party arrived here by special plane this morning from Beijing.

During his stay here, he also paid visits to a Sino-French joint venture, a hospital and factories and met with over 20 local entrepreneurs.

#### Wu Bangguo Meets Balladur in Shanghai

OW1004002094 Beijing XINHUA Domestic Service in Chinese 1350 GMT 9 Apr 94

[By correspondent Zhou Xierong (0719 6043 5554)]

[Text] Shanghai, 9 Apr (XINHUA)—Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, met with and feted French Prime Minister Edouard Balladur here this evening.

Wu Bangguo briefed the distinguished French guest on Shanghai's reform and opening up and the development of the Pudong development zone, expressing the hope that the French prime minister's visit will further strengthen economic cooperation between Shanghai and France.

Balladur called for Chinese entrepreneurs to come to France to join with French partners and become part of the French market. He hoped there would be more Sino-French joint ventures in Shanghai to further promote bilateral economic relations.

Balladur and his party, accompanied by Shi Dazhen, chairman of the Chinese Government's Reception Committee and minister of power industry, arrived here from Beijing this morning by a French special plane. Immediately after arrival, he paid a visit to French Liquefied

Air Company, Ltd. in Shanghai. In the afternoon, the distinguished French guests visited a hospital and some factories.

#### **Spokesman Denies Dissidents Arrested**

OW0904153494 Beijing XINHUA in English  
1444 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—The Chinese Government has denied the report about the arrest of dissidents during the visit of French Prime Minister Edouard Balladur.

A Chinese Foreign Ministry spokesman made the statement when commenting at the request of a reporter on Balladur's condemnation of the Chinese side here today.

The reporter said that according to a REUTER's news service report, Balladur condemned China of arresting dissidents during his visit, calling the action "unacceptable", and asked the Chinese side to make explanations at once.

Besides, the reporter said, French Foreign Minister Alain Juppe had asked the Chinese side to explain the actions before three o'clock this afternoon.

The spokesman said that the Chinese side had informed the French side that the report was "completely groundless."

#### **France Calls For 'Explanation'**

HK0904055694 Hong Kong AFP in English 0528 GMT  
9 Apr 94

[Text] Shanghai, April 9 (AFP)—France on Saturday called for an "explanation" from China after the arrest of another Chinese dissident as French Prime Minister Edouard Balladur arrived in Shanghai on an official visit.

Foreign Minister Alain Juppe told journalists that the request had been decided after the arrest Friday evening of dissident Wang Fucheng, secretary-general of the Shanghai-based Chinese Human Rights Association.

"This is now rather a lot, and we are starting not to appreciate it," Juppe said. "We have asked for an explanation, and we are awaiting a reply."

Only hours after Wang's arrest, another leading dissident, Bao Ge, was picked up by police in Shanghai, a dissident source said. Bao was the fifth pro-democracy campaigner to be detained in China in eight days.

Balladur told journalists that he may make a public statement on the wave of arrests later Saturday.

#### **Balladur Calls Arrests 'Unacceptable'**

HK0904065394 Hong Kong AFP in English 0645 GMT  
9 Apr 94

[Text] Shanghai, April 9 (AFP)—France on Saturday called for an explanation from China after the arrest of another Chinese dissident and French Prime Minister Edouard Balladur slammed the crackdown as "unacceptable."

Foreign Minister Alain Juppe told journalists that the explanation had been sought after the arrest Friday evening of dissident Wang Fucheng, secretary-general of the Shanghai-based Chinese Human Rights Association.

"This is now rather a lot, and we are starting not to appreciate it," Juppe said. "We have asked for an explanation, and we are awaiting a reply."

France has requested an explanation for 3:00 p.m. (0700 GMT), he said.

Only hours after Wang's arrest, another leading dissident, Bao Ge, was picked up by police in Shanghai, a dissident source said. Bao was the fifth pro-democracy campaigner to be detained in China in eight days. The latest incidents happened as Balladur arrived in Shanghai, continuing a four-day trip aimed at mending fences with China.

Balladur told the Chinese minister for electricity, Shi Dazhen, of his displeasure at the wave of arrests. Juppe told journalists in the plane from Beijing to Shanghai.

"This is unacceptable," Balladur was quoted as saying.

#### **Balladur, Juppe Comment on Arrests**

LD0904132194 Paris Radio France International in  
French 1100 GMT 9 Apr 94

[Text] After the arrest of two dissidents in Beijing, there have been reports that two more dissidents were arrested in Shanghai just before the arrival in town of the French prime minister. The French delegation immediately demanded explanations from the Chinese authorities, only to be told that these arrests had not taken place. Here is the reaction of French Foreign Minister Alain Juppe:

[Begin Juppe recording] We demanded an explanation, and that explanation was given to us by the minister who is accompanying Mr. Balladur, by the deputy mayor of Shanghai, and by the Chinese ambassador in France, who all formally told us that no dissidents had been arrested in Shanghai in the last few hours. This is what was told to us by official sources. We have taken note. [end recording]

Things are not, however, as simple as that. Journalists pressed Juppe to comment on the fact that the dissidents' families had said they had been arrested, but at this point the prime minister himself stepped in to put an end to the conversation:



[Begin recording] [Balladur] To convince you once and for all, I would advise you to get in touch with the Chinese ambassador in Paris, and if perchance he should say the same thing as the French foreign minister, then you will be perfectly informed and reassured. I hope so at least.

[Unidentified correspondent] Are you convinced by their explanations?

[Balladur] Yes.

[Correspondent] Is that a diplomatic yes?

[Balladur] Those are your words. Why do you ask? How would you describe your lack of conviction? [end recording]

What has happened exactly? The Chinese authorities deny that there were any arrests. We spoke, however, to the father of Bao Ge [not further identified by name], who insisted that his son was arrested in Shanghai.

[Begin recording] [Bao Ge's father, in Chinese with superimposed French translation] He was taken away this morning at 0900 by eight policemen, and he has still not come back to his home in Shanghai. [end recording]

That interview was carried out by our Chinese service.

#### **Balladur Departs for Home 10 Apr**

OW1004063694 Beijing XINHUA in English  
0621 GMT 10 Apr 94

[Text] Shanghai, April 10 (XINHUA)—French Prime Minister Edouard Balladur left here for home this morning after successfully concluding his visit to China.

Balladur and his party paid a 4-day visit to China starting on April 7 at the invitation of Premier Li Peng.

Chairman of the Chinese Government Reception Committee and Minister of Power Industry Shi Dazhen and Vice Mayor of Shanghai Xu Kuangdi saw the French guests off at the airport.

#### **Paris Paper on Balladur Visit**

BR0804162294 Paris LIBERATION in French  
8 Apr 94 p 18

[Caroline Puel report: "Balladur Touches on Human Rights in Beijing"]

[Text] Beijing—A hint of malaise went through the French delegation when Tiananmen Square resounded to the 19-gun salute against the background of the Marseillaise and then the Chinese national anthem. Standing in a brisk wind alongside Prime Minister Li Peng, Edouard Balladur had time to contemplate the historic esplanade of Beijing which was deserted. He probably thought about the cynicism of realpolitik which meant that, less than five years after the repression of the Chinese democratic movement, firmly condemned at the time by France, he was standing next to Li Peng, who

is held responsible for the massacre of hundreds of Beijing's citizens on this same Tiananmen Square. This was one of the prices to be paid for this four-day visit by the French Government chief to China, which enabled the Chinese television commentator to stress yesterday evening that "relations between France and China have entered a phase of complete normalization," expressing the hope that these relations "will be stabilized in a long-term view."

The element which would have made it possible to finally close the Tiananmen chapter—an invitation to Li Peng to visit France, for which the Chinese were hoping—did not come. "We did not specifically discuss that question," Chinese spokesman Wu Jianmin said, although he pointed out that "the two countries decided to step up the rate of high-level visits." Indeed, the French Government does not want the Chinese prime minister to make an official visit during the presidential campaign and hopes to find a diplomatic means of inviting President Jiang Zemin instead or at least of only issuing the Chinese with an invitation in theory, without any specific name or date.

The question of human rights in China and Tibet was nonetheless the subject of a "select committee" meeting, at French initiative, which brought together Li Peng and Edouard Balladur, and Qian Qichen and Alain Juppe, the two foreign ministers. No detail had filtered through yesterday evening on this four-man meeting, which lasted around 20 minutes at the end of the general meeting, which had been attended by around 30 participants. In particular, it was impossible to ascertain whether or not Edouard Balladur handed over a list of political prisoners and raised the case of Wei Jingsheng, the main Chinese dissident who was again arrested on Tuesday.

Wei had been released last September after spending more than 14 years in Chinese prisons for having called for democracy back in 1979. Four Nobel Prize winners and around 40 prominent French people asked Edouard Balladur to intervene on the dissident's behalf. Yesterday, the Chinese spokesman described Wei Jingsheng as a "fringe element, cut off from the real Chinese situation," and expressed appreciation of the fact that "France does not intend to interfere in Chinese internal affairs"—the customary expression: when human rights is under discussion.

During the general meeting which took place "in a very constructive atmosphere," to cite French spokesman Bernard Brigueoleix, the two sides discussed economic questions more than expected. Li Peng accepted the idea that the French presence in Canton "should be strengthened" in a form yet to be defined. The Chinese authorities had ordered the closure of the French consulate in Canton in January 1993, thus punishing Paris following the sale of French fighter planes to Taiwan. China also announced that the second phase of work on the Daya Bay nuclear power station will be carried out "in cooperation with France." Purchases of wheat, a dam on the

Yellow River, and projects in the energy sphere (especially oil) and telecommunications sphere were also mentioned.

Other projects were to be discussed by French Trade Minister Gerard Longuet who is due to return to Beijing before the summer at the head of a large delegation of industrialists, the two sides announced. "French enterprises are not competitive with regard to prices or quality," the Chinese spokesman nonetheless said in a statement reported by Beijing television. This remark stresses that the "success" of the visit is not yet certain, notably because of France's failure to issue an invitation to Li Peng.

#### Portuguese Prime Minister on Official Visit

##### Silva Interviewed Prior to Visit

OW0004033494 Beijing XINHUA Domestic Service in Chinese 0647 GMT 8 Apr 94

[By correspondent Chen Jiaying (7115 1367 3841)]

[Text] Lisbon, 7 Apr (XINHUA)—When interviewed by XINHUA on the eve of his visit to China, Portugal's Prime Minister Cavaco Silva stressed that the Portuguese Government hopes relations with China can develop further in all areas.

The Portuguese prime minister said his trip to China has two major purposes: namely, promoting the development of bilateral relations, including economic relations, and commemorating the seventh anniversary of the signing of the Sino-Portuguese Joint Declaration on the Macao issue.

Silva indicated that one priority of Portugal's foreign policy is to develop relations with China. He said the Chinese Government also attaches great importance to developing relations with Portugal; this can be proved by Premier Li Peng's visit to Lisbon in 1992 and President Jiang Zemin and Vice President Rong Yiren's visits in 1993.

Silva maintained that China, being a major country in the Far East and the world, deserves full access to worldwide economic, political, and cultural relations. He said China has achieved tremendous success in economic development, reform, and opening up; China's impressive economic growth will help the merger of China and the world's economies.

As regards bilateral relations, Silva said the fact that 60 Portuguese entrepreneurs will join him in visiting China shows that Portugal hopes to expand the two countries' trade volume and develop cooperation between Portuguese and Chinese enterprises in making direct investments and establishing joint ventures. He indicated the future is extremely favorable for Portugal and China to develop economic and trade relations, and the two countries can develop cooperation in telecommunications, banking, infrastructure, and other areas. This

should be a new way for promoting the development of the two countries' economic relations, he stated.

On the Macao issue, Silva stressed that the signing by himself and the Chinese premier in April 1987 of the Joint Declaration by the Chinese and Portuguese Governments on the Macao issue was an important historical event because a historical problem was resolved as a result of the declaration. He said that, regarding the Macao issue, the Portuguese Government has three basic objectives to achieve: stability, progress, and building confidence in the future. He said: "The operations of the Portuguese-Chinese Liaison Group are proceeding normally. The second half of Macao's transitional period will be a smooth one."

Commenting on international issues, the Portuguese prime minister said the Asia-Pacific region—particularly China—has become a world center enjoying high economic growth, and the gradual integration of Asia-Pacific economies has intensified these countries' extraordinary development. The development of economic and trade relations between the European Union and Asia-Pacific countries will be beneficial to both sides.

Silva pointed out that although the European Union has encountered certain problems and obstacles in its construction, it still has achieved significant progress. He expects the economy of West Europe will be able to begin a new cycle of growth by the end of this year.

In conclusion, Prime Minister Silva stressed that Portugal attaches great importance to problems between the north and south, and that Portugal has constantly reminded European countries not to forget the south.

##### Silva Departs for Beijing

OW0004150194 Beijing XINHUA in English 1430 GMT 9 Apr 94

[Text] Lisbon, April 9 (XINHUA)—Portuguese Prime Minister Anibal Cavaco Silva left here this afternoon for a seven-day official visit to China at the invitation of his Chinese counterpart Li Peng.

In an interview with XINHUA reporters earlier, the prime minister said the visit is aimed at promoting bilateral relations including economic cooperation and marks the 7th anniversary of the signing of the Sino-Portuguese Joint Declaration on Macao.

He pointed out that relations with China is one of Portugal's major foreign policy priorities.

Portugal Foreign Minister Durao Barroso, Minister of Commerce and Tourism Faria de Oliveira and Governor of Macao Rocha Vieira are accompanying Silva.

Also on the trip are about 60 Portuguese entrepreneurs keen to explore business opportunities in China.

During his stay in Beijing, Silva will hold talks with Chinese Premier Li Peng, President Jiang Zemin and Vice President Rong Yiren.

He will also visit Shanghai, Hangzhou and Guangzhou.

This is Silva's second visit China. His first was in April 1987 when the two premiers signed the historic Sino-Portuguese Joint Declaration on Macao.

#### Portuguese Prime Minister Arrives

OW1004010294 Beijing XINHUA in English  
0311 GMT 10 Apr 94

[Text] Beijing, April 10 (XINHUA)—Portuguese Prime Minister Anibal Cavaco Silva arrived here by air this morning on a week-long official visit to China at the invitation of Chinese Premier Li Peng.

Silva and his wife and their party were greeted at the airport by Liu Xiliang, chairman of the Chinese Government Reception Committee and vice minister of radio, film and television, Jiang Encha, vice minister of foreign affairs, Wu Tao, Chinese ambassador to Portugal, and Guo Jiading, leader of the Chinese side of the Sino-Portuguese Joint Liaison Group.

Portuguese ambassador to China Jose Duarte De Jesus was also present at the airport.

Accompanying Silva on the visit are Foreign Minister Jose Durao Barroso, Minister of Trade and Tourism Fernando Faria de Oliveira, Governor of Macao General Vasco Rocha Vieira [spelling of name as received], and Portuguese side's leader of the Sino-Portuguese Joint Liaison Group Fernando Andresen Guimaraes [spelling of name as received].

Li Peng is expected to host a welcoming ceremony for Silva and his wife tomorrow. The two premiers will hold talks on the growth of bilateral ties and international issues of common concern.

#### Trade Officials Meet

OW1004010504 Beijing XINHUA in English  
1024 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Liu Shangzai, Chinese vice minister of foreign trade and economic cooperation, met here today with Fernando Oliveira, Portuguese minister of trade and tourism.

Oliveira is accompanying Portuguese Prime Minister Anibal Silva on his China trip.

#### Li Peng, Silva on Cooperation

OW1004011284 Beijing XINHUA in English  
1053 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Premier Li Peng and visiting Portuguese Prime Minister Anibal Cavaco Silva said that their governments will pursue more

effective cooperation for a smooth transition of Macao and for its stability and development.

The two leaders made the pledge at a ceremony marking the seventh anniversary of the signing of the Sino-Portuguese Joint Declaration on Macao here today.

They agreed that the declaration is "a historic document with far-reaching significance."

Li noted that Silva's visit, which began yesterday, bears a special significance as it coincides with the seventh anniversary of the joint declaration.

He continued that the declaration has set an example for other countries in settling problems left behind by history.

Over the past seven years, he said, China and Portugal have enjoyed very good cooperation, particularly on the question of Macao, as both sides have implemented the joint declaration earnestly.

As a result, Macao enjoys social stability and economic growth with its residents living a peaceful and happy life, Li added.

He stressed that China and Portugal share the common goal and common interests in ensuring Macao's smooth transition, stability and development.

Li expressed the conviction that with continued joint efforts and more effective cooperation, Macao's smooth transition and power transfer will be realized.

Prime Minister Silva said that the joint declaration he signed seven years ago together with his Chinese counterpart accords with the two sides' common desire of resolving the Macao question through frank, sincere and friendly dialogue between the two governments.

Such a spirit still works today and will be carried forward by the two governments, he said.

He continued that the ways and means for the settlement of the Macao issue enshrined in the joint declaration have two objectives: to ensure Macao's stability and economic and social progress as well as its residents' confidence in the future, and to boost Portugal-China relations from a new angle.

The reason for the two sides to mark the seventh anniversary of the joint declaration lies in the fact that the declaration has been implemented smoothly, he said.

He reaffirmed that the Portuguese Government will earnestly implement the stipulations of the joint declaration so as to ensure Macao's stability and progress and to maintain the residents' way of life and the special features of their culture after 1999.

He expressed the conviction that Portugal and China will fulfill their historical obligations and make stronger the link between the two peoples by way of ensuring Macao's stability, especially in Macao is the strongest point of the link.



Prior to the ceremony, Premier Li Peng presided over a welcoming ceremony in honor of Prime Minister Silva.

### **Roundup Views 'Fruitful' Cooperation**

090104ZCHN Beijing XINHUA in English  
0217 GMT 11 Apr 94

[XINHUA "Roundup": "Fruitful Sino-Portuguese Cooperation"]

[Text] Beijing, April 10 (XINHUA)—The China visit by Portuguese Prime Minister Anibal Cavaco Silva will give a new impetus to existing fruitful cooperation between the two countries, official sources said here today.

Silva, who signed the historic China-Portugal Joint Declaration on the question of Macao during his first visit to China seven years ago, arrived here by air this morning on a week-long official visit to China at the invitation of Chinese Premier Li Peng.

The sources described Silva's visit as "a major event in the history of Sino-Portuguese relations."

China and Portugal are far apart geographically, but friendship brings them closer. Since the two countries established diplomatic ties 15 years ago, contacts between the countries' high-ranking officials have been increasing noticeably.

Foreign ministers of the two countries exchanged visits while Chinese President Jiang Zemin, Premier Li Peng and Vice President Rong Yiren paid visits to Portugal on separate occasions.

This has not only promoted mutual understanding, but also pushed forward bilateral ties in every field.

With concerted efforts and friendly consultations, the question of Macao left behind by history is being properly settled.

The two governments formally signed a joint declaration on the question of Macao on April 13, 1987 after four rounds of talks over nine months.

The two sides confirmed that China will resume its exercise of sovereignty over Macao from December 20, 1999.

Since the Joint Declaration was signed, the two governments have conducted good cooperation with fruitful results.

The Sino-Portuguese Joint Liaison Group has convened nineteen meetings at which the three major questions in the transitional period of Macao, namely the localization of public servants, law and official institution of the Chinese language, have been discussed in depth.

The two foreign ministers reached a consensus in February 1991 that the Chinese and Portuguese languages share the same status in Macao and that Portuguese will also be an official language after 1999.

In December of 1991, the Portuguese side finished legislative procedure on the above-mentioned issue. Progress has also been made in localization of public servants and laws.

Both China and Portugal have taken a sincere and friendly cooperative attitude toward the question of Macao, which has given rise to a good environment for Macao's social stability, economic development and residents living and working in peace and contentment.

Last year, the two countries successfully settled the issue of financing the Macao International Airport and the model for aviation agreement.

Now the Macao International Airport, with a total investment of 7.3 billion patacas, is under construction. The principal part of the airport lounge and runway have been built. It is expected that the project will be completed in July next year.

In addition, the second largest bridge in Macao has been erected and three advanced refuse burners with a total investment of 600 million patacas newly built in the region.

The prime minister will take part in a ribbon-cutting ceremony for the bridge in Macao after his visit to China.

Over the past few years, trade between the two countries has risen by a big margin. Statistics show that the volume of trade between the two countries last year amounted to 110 million U.S. dollars, a 64.4 percent increase over 1992, hitting an all-time high.

In March this year, the two sides signed a contract on the joint investment of a winery with an annual output of 4,500 tons in north China's Hebei Province. Seventy percent of the wine will be exported.

In addition, the two countries also signed agreements on economic, industrial and technical cooperation and on the protection of investment.

In March last year, the Portuguese Minister of Trade and Tourism Fernando Faria de Oliveira headed a delegation composed of industrialists and businessmen to visit China. In September of that year, the mixed Committee for Economic Cooperation and Trade between the two countries held a meeting in Lisbon.

Today the Portuguese prime minister has brought nearly 60 industrialists and businessmen, including leaders of nearly 40 major Portuguese enterprises, to China.

During the visit, they will hold business talks with about 200 Chinese entrepreneurs, exploring new ways for further expansion of bilateral cooperation.

All these demonstrate that Sino-Portuguese cooperation is advancing healthily. The Chinese people hope that

Silva will make fresh contributions to the growth of bilateral ties established on the basis of equality and mutual benefit.

They also feel that with the approaching of 1999, it is imperative to accelerate the pace for the early settlement of the three major issues concerning the transitional period of Macao so as to create good conditions for the stable transition and smooth transfer of power.

#### **PRC Ambassador in Lisbon Interviewed**

*LD000403594 Lisbon, RTP Internacional Television in Portuguese 1800 GMT 10 Apr 94*

[Quotation marks denote recorded passages]

[Text] Prime Minister Cavaco Silva and his extensive entourage have arrived in Beijing, but had an easy start to the visit.

[Correspondent] In addition to China the trip also includes Hong Kong and Macao. This is the largest group ever to travel with the prime minister, with more than 60 businessmen—a trip of great economic significance. Cavaco Silva returns to China seven years after the signing of the Macao Joint Declaration in Beijing. The accord has contributed to the stability of the territory, according to the Chinese ambassador to Portugal.

[PRC ambassador in Mandarin with Portuguese subtitles] "The two governments have enjoyed good cooperation during the implementation of the Joint Declaration since its signing seven years ago. They have contributed to the stability and prosperity of Macao."

[Correspondent] After 1999, Macao will be an integral part of China, a situation which raises many questions. Two such questions are whether the death penalty will apply in the territory and the other is the nationality of the residents. The Chinese ambassador believes that appropriate solutions will be found for these two questions.

[PRC ambassador] "The Portuguese descendants who live in the territory have joined their efforts to help with Macao's economic and social development. We hope that even after 20 December 1999, they can remain in Macao in peace. It is certain that the Macao Special Administrative Region will protect their customs and cultural traditions in accordance with the Basic Law. China will apply the nationality law bearing in mind the historic reality of the territory in such a manner as to find an appropriate solution to the situation."

"In relation to Macao, we believe that after the transition period the problem will be studied bearing in mind the social realities. The opinion of the residents on the death penalty will be sought and only then will the appropriate law on this matter be drawn up."

[Correspondent] The Orient Foundation, created before the signing of the Joint Declaration and based in Lisbon, has been one of the problems in this period of transition.

China wants the foundation headquarters to be directly accountable to it. So far no decision has been reached.

[PRC ambassador] "The Orient Foundation funds come from Macao and should serve Macao. The contract, which gives part of the gambling profits to the Foundation, was signed before the Joint Declaration and will go beyond 1999. This question should be looked at by the Sino-Portuguese Liaison Group during the transition period. We are certain that through friendly negotiations we will find the appropriate solution."

#### **Further on Visit by Finnish Prime Minister**

##### **Visits Suzhou, Shanghai**

*QW000403594 Beijing XINHUA in English 1305 GMT 8 Apr 94*

[Text] Shanghai, April 8 (XINHUA)—Finnish Prime Minister Esko Aho left here for Beijing this evening after concluding his trip to Suzhou and this city.

Aho is in China on a six-day official visit as Premier Li Peng's guest. He arrived here yesterday from Beijing and visited Suzhou today.

In Suzhou, Aho visited a new industrial zone, an embryonic research institute and went sightseeing there.

In a meeting with Jiangsu Provincial Vice-Governor Ji Yunzhi, Aho expressed the belief that China's development will bring along more opportunities of cooperation between the two countries.

While in Shanghai, Aho and his party toured an industrial complex and two new bridges over the Huangpu River.

Yesterday evening, the city's Vice-Mayor Sha Lin met and hosted a banquet for the Finnish guests.

Shanghai's growth will attract more Finnish businesses to participate in the booming economy, Aho told his host here.

In recent years, the economic exchanges and cooperation between Finland and Shanghai have been quickly expanded and their two-way trade logged an average increase of 30 percent a year.

##### **Meets With Li Ruihan**

*QW000403594 Beijing XINHUA in English 1220 GMT 9 Apr 94*

[Text] Shanghai, April 9 (XINHUA)—Li Ruihan, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with visiting Finnish Prime Minister Esko Aho here today.

Extending Aho a welcome on the CPPCC's behalf, Li expressed the belief that Aho's China visit will greatly boost the existing friendship between the two countries.

Li said China is now focusing its attention on modernization construction and that it has achieved a lot in every field over the past decade.

However, as a large and populous country, China faces many difficulties in striving toward modernization, Li said.

China needs a stable and harmonious domestic situation as well as a peaceful and friendly external environment, Li said.

He noted that despite all the changes on the world stage, the relations between China and Finland remain as good as ever and that these ties can be described as a model of friendly cooperation between countries with different social systems.

He expressed the hope that both sides make efforts to expand cooperation and further consolidate and develop friendly bilateral ties.

Who expressed agreement with this. Finland and China have been cooperating in political and economic and trade fields for a long period of time, who said.

The two economies are complementary and have great potential for cooperation, he said, adding that his visit is sure to further promote the development of these and other ties.

During the meeting, Li also briefed the guests on the CPPCC's national role, China's economic restructuring and its political reform.

Who today, Zheng Shouge, chairman of the China Council for the Promotion of International Trade, hosted a luncheon in Who's honor.

The Finnish prime minister told all the participants that Finnish-China cooperation in infrastructure, telecommunications, environmental protection and other fields has great potential.

#### Meets President Jiang Zemin

CHINA/BEIJING/94 Beijing, XINHUA in English  
11527 GMT 9 Apr 94

[Text] Shanghai, April 9 (XINHUA)—President Jiang Zemin said here today that China and Finland should tap their economic cooperation potentials and further boost all-round ties.

Finland has its own features in many areas and its economic cooperation with China should be expanded, Jiang told visiting Finnish Prime Minister Esko Aho here this afternoon.

China and Finland enjoy ties of friendship and mutual respect, and in recent years the bilateral exchanges and cooperation in fields of economy and trade, science and technology and culture have been further developed, he said.

"We are satisfied with this," Jiang told the Finnish prime minister. "Your current visit will further promote Sino-Finnish relations in all fields," he added.

Who noted that the long geographical distance does not constitute a hindrance to the high-level contacts between the two countries.

On the contrary, extensive political and economic relations of cooperation have been established between the two countries, Who said.

He described his current visit here as "an important milestone" in the history of Finnish-Chinese friendship.

Finland supports China's re-entry into the General Agreement on Tariffs and Trade (GATT), Who said, adding that the re-entry will make a significant impact on Finnish-Chinese economic relations and the global economy.

Who also told Jiang that the visit had impressed him deeply.

During the meeting, Jiang asked Who to convey his best regards to Finnish President Martti Ahtisaari and to pass on his invitation to the president to visit China.

#### Human Rights Issue Raised

LD/004071/146 Helsinki Suomen Yleisradio Network in  
Finnish 1430 GMT 9 Apr 94

[Excerpt] Prime Minister Esko Aho had talks today with Jiang Zemin, Chinese president and party leader. According to him, political reforms in China are starting up in a tranquil way because China wants to remain stable to secure economic reforms. According to Prime Minister Aho, Finland did not raise the issue of human rights in China in a condemning way even though it was discussed. Chinese President Jiang Zemin invited President Martti Ahtisaari to visit China. Prime Minister Aho also acted as a spokesman for Finnish industry during this official visit. Simkka Aeteva reports.

[Aeteva] Prime Minister Esko Aho had talks lasting an hour with the Chinese President Jiang Zemin in Zhongnanhai, the closely guarded area of Chinese leaders in Beijing. The Chinese president was in a very good mood and assured the Finnish journalists before Aho arrived that relations between our two countries have always been good. [passage omitted]

The prime minister's official negotiations in China are now over. Aho said that he believed that the trip has speeded up economic projects. According to Aho, the economic change in China has turned out to be much greater than he had imagined or read about in Finland. Because of what he saw, he said he supports the opening of a consulate in Shanghai. Tomorrow, Aho will visit the Great Wall and the Forbidden City.



**Finnish Premier Concludes Visit**

OW1104062294 Beijing XINHUA in English  
0606 GMT 11 Apr 94

[Text] Beijing, April 11 (XINHUA)—Finnish Prime Minister Esko Aho concluded his official visit to China and left here by air for home this morning.

Prior to his departure Aho told a press conference that his trip will further enhance Finnish-Chinese ties, especially those in the economic and trade areas.

Finland and China have a long traditional friendship, and their ties have been developing over the past four decades, he said, adding that the two countries also enjoy frequent high-level contacts.

During the visit, leaders of the two countries "agreed to continue and enhance these contacts", he said.

On bilateral economic cooperation, Aho noted that Finland has unique advantages in forestry, wood-processing, paper-making and other traditional industries, and that the two countries cooperate in the energy, metallurgical industry, telecommunications and environmental protection fields.

There exists "great potential" for cooperation between Finland and China in economic, trade and other areas, he said.

The delegation noted a lot of opportunities for bilateral economic and trade cooperation, Aho said.

The Finnish businessmen in their prime minister's entourage held talks with their Chinese partners on specific projects and reached some cooperation agreements, Aho said.

He expressed the hope that the visit would have positive impact on this cooperation.

In addition, Aho said, the cultural exchange program signed here during the trip will help deepen the mutual understanding and friendship between the two peoples.

**East Europe****NATO Planes Bomb Serb-Held Positions**

OW1104010894 Beijing XINHUA in English  
0058 GMT 11 Apr 94

[Text] Belgrade, April 10 (XINHUA)—War planes of the North Atlantic Treaty Organization (NATO) bombed the positions of Serb-besieged Muslim enclave of Gorazde today, U.N. officials said.

A U.N. military spokesman in Sarajevo said that two NATO F-16s, which are U.S. war planes based in the

northern Italian town of Aviano, attacked the Serb positions after a request by the United Nations.

The U.N. officials said two Serb tanks were hit during the attack.

It was the first time during the two-year Bosnian war that the United Nations requested attacks on ground positions. In late February, NATO war planes shot down four Serb aircraft which violated the "no fly zone" over Bosnia.

**XINHUA: Serbs 'Strongly' Protest Bombing**

OW1104101994 Beijing XINHUA in English  
0915 GMT 11 Apr 94

[Text] Belgrade, April 11 (XINHUA)—The Bosnian Serb military command last night strongly protested against an earlier NATO air strike and decided to suspend all its contacts with the United Nations Protection Force (UNPROFOR) in the former Yugoslavia.

NATO's two American F-16 warplanes bombed artillery positions of the Serb forces south and southeast of Gorazde, a Serb-besieged Muslim enclave, yesterday evening.

It was the first time during the two-year Bosnian war that the United Nations requested attacks on ground positions. In late February, NATO war planes shot down four Serb aircraft which violated the "no-fly zone" over Bosnia.

The attack, launched under the U.N. request, aimed to protect 12 U.N. military observers in the Gorazde region from threatened Serb shellings, said the U.S. Defense Ministry [as received].

However, the headquarters of the Serb forces said in a statement that there was no threat at all to the UNPROFOR in Gorazde and the NATO air attack was "groundless." Therefore the raid had led the United Nations into the civil war of Bosnia, it added.

The statement noted that NATO's attack was mounted to rescue the Muslims from defeat in their spring offensives and to block the realization of the Serb proposal for a "perpetual ceasefire throughout Bosnia."

The Serb statement went on to say that the U.N. action was one for encouraging the Muslim forces, whose aim in launching the offensive was to provoke Serbs' counterattacks and make them a pretext for foreign military intervention.

In conclusion, the statement said that the Serbs were not to be cowed but would use every possible means to defend themselves.

## Political & Social

### Crackdown on Dissidents, Reporters Arrested

#### Police Question Journalists

HK0804141294 Hong Kong AFP in English 1357 GMT  
8 April 94

[Text] Beijing, April 8 (AFP)—Five foreign journalists were briefly held and questioned by Chinese police Friday when they tried to visit the wife of detained dissident Xu Wenli.

A dozen policemen stopped the journalists as they arrived Friday afternoon at Kang Tong's housing compound, one of the foreigners said. The group included the correspondent of Hong Kong's SOUTH CHINA MORNING POST Geoffrey Crothall, Barbara Alighiero of Italy's ANSA, David Schlesinger of REUTERS and German correspondents Henrik Bork of FRANKFURTER RUNDSHAU and Andreas Landwehr of DPA.

When Kang arrived to speak with them she was dragged away and the journalists were taken for questioning to a small room next to the compound entrance where their press passes were briefly confiscated, the journalists said. "We could have left at any time but it would been without our press passes," one said.

The police made several phone calls before returning the press cards and allowing the journalists to leave after about 30 minutes, he added.

Xu, a leader of the 1978-1979 Democracy Wall movement and one of China's longest serving political prisoners, was taken from his home early Friday, Kang said by telephone earlier.

The 49-year-old dissident had been released from prison on parole last year after serving 12 years of a 15-year sentence for "counter-revolutionary" crimes.

The former electrician has since maintained a low profile and not been involved in any open dissident activity.

#### Foreign Ministry Spokesman Comments

OW0804120394 Beijing XINHUA in English  
1142 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—The Chinese Foreign Ministry denied here today the report that four foreign press cards had been taken away.

A Foreign Ministry spokesman made the remark when asked to respond to the report that press cards were taken away from four foreign correspondents when they were interviewing Xu Wenli.

#### Dissident Bao Ge Arrested

HK0904040494 Hong Kong AFP in English 0334 GMT  
9 Apr 94

[By Giles Hewitt]

[Text] Beijing, April 9 (AFP)—Leading Chinese dissident Bao Ge was picked up by police Saturday morning from his home in Shanghai, a dissident source said, announcing the fifth detention of a pro-democracy campaigner in China in eight days.

Bao was seized just 12 hours after the arrest of another prominent activist in the city, as French Prime Minister Edouard Balladur, whose country has a record for championing human rights, arrived in Shanghai.

"Eight policemen took him away this morning at 9:10 a.m. (0110 GMT)," Bao's father said by telephone, adding that the police had given no reason for the arrest.

"When (Bao) asked them to produce some arrest papers, they simply said they didn't need any," he said.

Bao was taken to a local police station, the father said, adding that he hoped his son would be released within 24 hours.

The latest detention followed the arrest Friday evening of the secretary general of the Shanghai-based Chinese Human Rights Association, Wang Fucheng.

"It looks as if this is the start of a major crackdown on dissidents," said the association's spokesman Yang Zhou, who was himself detained and questioned by police twice last month.

Since April 1, three other members of China's pro-democracy and human rights campaign have been detained—Wei Jingsheng, 43, and Xu Wenli, 49, who came to fame for their activism in the late 1970s and were released last year after long jail terms, and Wei's secretary, Tong Yi.

Wei is officially under investigation for purported "new crimes." The ministry of public security and the Beijing police denied Saturday any knowledge of Xu's detention.

Yang, also contacted by telephone, said Wang had not yet been released.

Bao, 31, who recently sent a letter urging the Chinese government to push Tokyo into paying reparations for atrocities committed during the 1937-45 Sino-Japanese war, had previously been detained March 21 during the visit to Shanghai by Japanese Prime Minister Morihiro Hosokawa.

Wang Fucheng, a 30-year-old entrepreneur, spent three years in jail for "counter-revolutionary" activities during the 1978-79 Democracy Wall Movement.

He had previously been held for three days in mid-March during a police sweep of dissidents in Beijing and Shanghai.

Balladur, meanwhile, arrived in Shanghai on the third day of a four-day official visit aimed at repairing ties with China that were damaged two years ago when France sold Mirage fighter-bombers to Taiwan, Beijing's rival.

China has systematically rounded up dissidents during visits by VIPs, in an apparent attempt to thwart embarrassing contacts.

Similar steps to harass or detain activists were taken during visits to China last month by U.S. Secretary of State Warren Christopher and the Japanese premier.

### Wang Jiaqi Makes 'Daring Escape'

HK1004064794 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 6

[By Ron Gluckman and Chow Gee-inn]

[Text] The arrest of several labour leaders last month may well have been a stern message from mainland officials to increasingly brazen worker activists. Many officials are worried widespread strikes pose the greatest threat to stability since the student democracy movement was crushed at Tiananmen Square five years ago. However, the daring escape of one of those activists sends an entirely different set of signals to Chinese dissidents and the world. While Wang Jiaqi remains on the run in China, his escape from custody underscores suggestions of widespread corruption in the Public Security Bureau and fuels speculation of mounting sympathy among the ranks for a renewed dissident movement. Wang was arrested early last month with three other labour organisers, apparently in reaction to the publication of a charter for a new worker alliance calling itself the League for the Protection of Working People of the People's Republic of China.

One of the four men was quickly released, but prominent labour activist Zhou Guoqiang and lawyer Yuan Hongbing remain in custody.

While previously seen as the least prominent of the group, Wang, a 34-year-old postgraduate law student at Beijing University, has added to his dissident reputation by slipping from sight late last month. He is reported to have escaped from custody in Tangshan, a city in Hubei province, east of Beijing.

Official mainland media have carried no accounts of his arrest or escape, which is not uncommon, according to a Beijing source. "You'll only read about an escape at the time of his recapture, since this is something they never publicise," he said, terming the escape "an extremely rare occurrence".

However, former mainland prisoners told the SUNDAY MORNING POST that despite the outside perception of

formidable and intensely fortified prison camps, escape is not too difficult. "You have a very good chance of escape if you have the contacts and the courage," said one former prisoner, who requested anonymity. He said top officials, as well as prison guards, were regularly bought off. Dissidents who have escaped, including those who remained on the run for years on the mainland, said with enough money and influential friends, a wanted man might easily elude the authorities.

This recalls the extensive underground network by which many Tiananmen figures were transported to safety outside the country. Known as Operation Yellowbird, the network was believed to have been financed and organised from Hong Kong.

"Escapes these days are fairly unusual, but not unheard of," said Sophia Woodman, of the United States-based group Human Rights in China. "But I really don't think there is any real organisation, no formal network. However, there are always sympathetic people who will help." Worker actions have grown widespread, with more than 10,000 reported last year by official Chinese publications. Mainland officials have speculated that worker unrest has been stirred up by an organised group of activists. Several human rights groups have accused officials of stepping up surveillance and detention of suspected worker leaders. "They are out to stamp out all labour activity," one source said. "This is far more threatening to the Chinese regime than a group of students talking about democracy." He explained the issue of workers' rights had far more appeal to the peasant population than abstract notions of democracy or human rights.

Little is known about Wang, and even less about his life on the run. However, former prisoners and escaped activists can provide some insight into what he might be expected to face. Despite the risk, many strangers will be surprisingly helpful, said Tang Boqiao, a student leader from Hunan who was arrested in July 1989. While in custody he was severely beaten, and persecuted by authorities after his release. He escaped to the United States through Hong Kong in 1991.

While travelling from Guangzhou to Shenzhen, a university teacher posed as his girlfriend to throw his pursuers off the trail. Tang was able to elude authorities partly through the help of friends in the Public Security Bureau and other government offices. His sister was a member of the bureau but was demoted and then dismissed after his escape.

Bei Ming and husband Zheng Yi were in hiding for three years. Both were prominent writers prior to undertaking a 100,000-kilometre journey through 12 provinces before finally escaping to the United States in 1992. "When we were first living in the underground we were very worried," she said. "However, after a few months we became more relaxed. We just thought that if we were to worry every day, we would go mad."



Bei said they regularly alternated between safe houses always wary of being apprehended. Nevertheless, they were able to travel freely for much of the time, albeit in disguise. "Everything had been arranged very well," she said.

However, Bei, like other dissidents, expressed doubt the same resources and community sympathy would be available to Wang. She said that following the Tiananmen crackdown, "many people were angry. The Government had just shot people and many people wanted to help. Times have changed. Now, many people do nothing. They have forgotten what happened."

However, a new mood of protest seems to be brewing and Wang has become part of it.

#### Spokesman on Xu Wenli

HK1104022694 Hong Kong AFP in English 0217 GMT 11 Apr 94

[Text] Beijing, April 11 (AFP)—Chinese dissident Xu Wenli, arrested Friday in Beijing, was picked up by police for having broken the law, the Chinese foreign ministry said Monday.

"China public security organs summoned Xu Wenli according to law for he has violated relevant regulations on parole," a spokesman from the ministry told AFP. "This entirely falls within China's sovereignty and has nothing to do with China's relations with other countries," the spokesman said.

Xu, 49, leader of the 1978-79 Democracy Wall movement in Beijing, was released on parole in May 1993 after 12 years in prison.

#### Security Spokesman on Arrests

HK1104052194 Hong Kong AFP in English 0502 GMT 11 Apr 94

[Text] Beijing, April 11 (AFP)—The Chinese ministry of security said Monday that police would continue "investigations" of leading dissidents Xu Wenli and Wei Jingsheng.

"The police investigations of Xu Wenli and Wei Jingsheng continue," a ministry spokesman told AFP. An investigation of Tong Yi, Wei's secretary, is also underway, he added.

The spokesman did not indicate why the three dissidents were being held or where they were. But the Chinese Foreign Affairs Ministry said Monday that Xu had been detained by police for having "violated the terms of his parole."

Xu, 49, leader of the 1978-79 Democracy Wall movement in Beijing, was released on parole in May 1993 after 12 years in prison.

The dissident was initially picked up on Thursday, on the arrival of French Prime Minister Edouard Balladur

in Beijing. He was released, but was again arrested Friday, his wife, Kang Tong, said.

His arrest comes a week after his friend and another leading dissident, Wei Jingsheng, was detained on accusations of having "committed new crimes." Wei received a 14-year sentence for his role in the Democracy Wall movement.

Tong Yi, Wei's secretary, was detained Monday in Beijing.

"China public security organs summoned Xu Wenli according to law for he has violated relevant regulations on parole," a spokesman from the ministry told AFP. "This entirely falls within China's sovereignty and has nothing to do with China's relations with other countries," the spokesman said.

The arrest attracted considerable international attention, coming as it did during Balladur's visit to China, which ended in Shanghai on Sunday.

#### Wang Fucheng Reportedly Beaten

HK1104020494 Hong Kong AFP in English 0201 GMT 11 Apr 94

[Text] Beijing, April 11 (AFP)—Three Chinese dissidents detained Friday and Saturday during the visit of French Prime Minister Edouard Balladur were released Sunday, the dissidents said Monday.

One of them, Wang Fucheng, secretary-general of the Chinese Human Rights Association, said he was beaten for 20 minutes by three plain-clothed policemen during his detention.

Wang, Bao Ge and Yang Zhou were able to return home Sunday, but were placed under house arrest for most of the day and their telephones were cut until Monday morning so that they could not speak with the press, the dissidents said.

They were released after the departure Sunday of Balladur from Shanghai, they added.

"We were arrested because of Balladur's visit," Yang Zhou, 50, the association's spokesman, told AFP over the phone. Bao Ge, 31, added: "The government was scared we would do something to upset the visit."

Wang, 39, detained the first time on Friday, was released and then arrested again Saturday. He spent two nights in the police station and said he was mistreated. "During my second arrest Saturday afternoon, I was beaten for 20 minutes by three plain-clothed policemen," he said.

Bao and Yang were first taken to the police station and each spent Saturday night in a different hotel under police surveillance and were restricted from leaving.



**Detained Dissidents Released**

HK1104012994 Hong Kong AFP in English 0113 GMT  
11 Apr 94

[Text] Beijing, April 11 (AFP)—The three Chinese dissidents detained Friday and Saturday during the visit of French Prime Minister Edouard Balladur were released Sunday, the dissidents said Monday.

Bao Ge, Wang Fucheng and Yang Zhou were able to return home Sunday, but were placed under house arrest for most of the day and their telephones were cut until Monday morning so that they could not speak with the press, the dissidents said.

They were released after the departure Sunday of Balladur from Shanghai, they added.

**CPPCC Adopts Revised Constitution**

OW0904192794 Beijing XINHUA Domestic Service in  
Chinese 0054 GMT 9 Apr 94

[Constitution of the CPPCC—adopted on 11 December 1982 by the Fifth Session of the Fifth CPPCC National Committee and revised by the Second Session of the Eighth CPPCC National Committee in March 1994]

**[Text] General Principles**

In the course of many years of revolution and construction, the Chinese have established the broadest patriotic united front led by the CPC. It embraces democratic political parties, nonparty democratic figures, people's organizations, minority nationalities, and patriotic figures from all walks of life; and it includes all socialist working people, patriots who support socialism and uphold the unification of the motherland, and compatriots in and from Taiwan, Hong Kong, and Macao, and Chinese nationals residing abroad.

The PRC Constitution provides that the system of multiparty cooperation and political consultations under the CPC's leadership will exist and develop for a long time to come.

The Chinese People's Political Consultative Committee [CPPCC] is a patriotic united front organization of the Chinese people. It is an important organ of multiparty cooperation and political consultations under the CPC's leadership. In exercising the powers of the National People's Congress [NPC], which had not yet been founded, and representing the will of the Chinese people, the First Plenary Session of the CPPCC proclaimed the founding of the PRC in September 1949, thereby fulfilling an important historical function. Since the convening of the First NPC in 1954, the CPPCC has continued to do much work in China's political and social life and in the field of friendly activities with foreign countries, thus making great contributions in these respects. Since the convening of the Third Plenary Session of the 11th CPC Central Committee in December 1978, the CPPCC has continued to play an

important role in eliminating chaos and restoring order; consolidating and developing political stability and unity; shifting the focus of state affairs to economic construction; promoting reform, opening up, and socialist modernization; striving for national reunification with the return of Taiwan; and launching the struggle against hegemony and safeguarding world peace.

Led by the CPC following the founding of the PRC, Chinese people of all nationalities have abolished the system of exploitation and have established a socialist system. Fundamental changes have taken place in the class situation in Chinese society. The worker-peasant alliance has been further consolidated. Intellectuals, like the workers and peasants, are force to be relied on in our socialist cause. The overwhelming majority of people formerly belonging to the exploitive classes have now become laborers earning their own living. The democratic parties, which have advanced along with the CPC in the people's revolution and construction and which together with it have undergone trials and made important contributions, are playing increasingly vital roles as political coalitions of sections of the socialist working people and patriots supporting socialism connected with them. A socialist relationship based on equality, unity, and mutual help has been established between China's different nationalities. Patriotic figures in religious circles are taking an active part in the country's socialist construction. Patriots in and from Taiwan, Hong Kong, and Macao, and Chinese nationals residing abroad love their motherland, uphold her reunification, and support her construction. China's patriotic united front has taken on greater vitality in the new historical period, and it remains an important "magic weapon" for uniting the Chinese people in their struggles to build up their country and achieve national reunification. It will be further consolidated and developed.

China is in the primary stage of socialism, and the main contradiction at present is the contradiction between the people's ever-increasing material and cultural needs and the backwardness of our social production. Because of internal factors and influences from abroad, the struggle of the Chinese people against hostile forces and elements at home and abroad will still be a protracted one. Class struggle, although continuing to exist within limits for a long time to come, will no longer constitute the principal contradictions in Chinese society. The basic task of the Chinese people of all nationalities is to act in accordance with the theory of building socialism with Chinese characteristics, uphold the basic line in the primary stage of socialism, concentrate their efforts on socialist modernization, and work hard and self-reliantly to achieve the modernization of industry, agriculture, national defense, and science and technology step by step to turn China into a strong and prosperous socialist country with a high level of culture and democracy. On the political basis of love for the PRC and support for the leadership of the CPC and the socialist cause, the CPPCC will do all it can to further strengthen and develop the patriotic united front, mobilize all positive

factors and unite all people who can be united, work with one heart and with everyone contributing ideas and efforts, focus on economic construction, protect and develop the political situation of stability and unity, advance the socialist democratic and legal systems, promote socialist spiritual civilization, push forward the development of the socialist market economy, and fulfill the fundamental tasks of the people of all nationalities across the country.

The CPPCC is an important instrument of socialist democracy in our country's political life. In accordance with the policy of "long-term coexistence and mutual supervision" between the CPC and the democratic parties and nonparty figures and the principle of "treating each other with all sincerity and sharing weal or woe," it participates in political consultation with regard to major state policies and important issues concerning the people's life and it practices democratic supervision by making suggestions and criticism.

The PRC Constitution is the basic criterion of all CPPCC activities.

The CPPCC National Committee and local committees shall safeguard, in accordance with the law, the rights of participating units and individuals in the performance of their responsibilities.

#### Chapter 1. General Working Principles

Article 1. The CPPCC National Committee and local committees work in accordance to the CPPCC Constitution.

Article 2. The principal responsibility of the CPPCC National Committee and local committees is to take part in political consultation and democratic supervision and to organize various participating political parties, organizations, and people of various nationalities from all walks of life to participate in the administration and discussion of state affairs.

Political consultation refers to consultation on major policies of the state and localities and important issues in political, economic, cultural, and social life before policy decisions are made and on important issues in the process of implementing policy decisions. Upon the request of the CPC, the NPC Standing Committee, the people's government, the democratic political parties, or people's organizations, the CPPCC National Committee and local committees convene meetings of leaders of various parties and organizations and representatives of people of various nationalities from all walks of life for the purpose of political consultation; the CPPCC National Committee and local committees may also propose that these units bring up important issues concerning them for consultation.

Democratic supervision refers to supervision of the enforcement of the country's Constitution, laws, and regulations; of the implementation of major policies; and

of the work of state organs and their functionaries by making suggestions and criticism.

Article 3. The CPPCC National Committee and local committees publicize and implement the Constitution, the laws, and the principles and policies of the state, encourage forces in society to take an active part in the building of material and socialist spiritual civilization, and assist state organs in dealing blows against criminal offenders who are undermining socialism in the economic and other spheres.

Article 4. The CPPCC National Committee and local committees maintain close contact with figures in different fields, transmit their opinions and requests as well as those of the people they associate with, make suggestions and criticisms on the work of state organs and state functionaries, and assist state organs in reforming their administrative structure and system of organization and in improving their work, raising efficiency, overcoming bureaucracy, and strengthening the building of a clean government.

Article 5. The CPPCC National Committee and local committees adjust the relations among the different sides in the united front and deal with matters that have an important bearing on cooperation within the CPPCC.

Article 6. The CPPCC National Committee and local committees make efforts, in various forms, to disseminate progressive ways of thinking, and they educate people in the social morality of love for the motherland, the people, labor, science and socialism, as well as in revolutionary ideals, ethics, and discipline.

Article 7. The CPPCC National Committee and local committees uphold the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" for developing science and creating a flourishing culture; keep in close contact with the relevant state organs and other organizations; conduct investigations and studies on politics, law, economy, education, science and technology, culture and art, medicine, health, and sports; encourage the free airing of opinions; open avenues for all people of talent; and bring into full play the skills and functions of CPPCC members.

The CPPCC National Committee and local committees encourage and help forces in society to institute all kinds of undertakings that benefit socialist construction.

Article 8. The CPPCC National Committee and local committees organize their members for inspections, visits, and tours to gather information on the actual situation, study the various undertakings and important issues related to the life of the people, and give advisory opinions and criticism to the state organs and other relevant organizations through the adoption of motions and proposals and by other methods.

Article 9. The CPPCC National Committee and local committees organize and encourage their members to study, on a voluntary basis, Marxism-Leninism-Mao

Zedong Thought, the theory of building socialism with Chinese characteristics, as well as current affairs and politics, and to acquire and exchange professional and scientific and technological knowledge with a view to enhancing their ability to serve the motherland.

Article 10. The CPPCC National Committee and local committees publicize and participate in the implementation of state guidelines and policies on reunifying the motherland and actively develop connections with compatriots in Taiwan and figures in various circles to promote the great cause of reunifying the motherland.

The CPPCC National Committee and local committees strengthen connections and unity with compatriots in Hong Kong and Macao and encourage them to contribute to maintaining prosperity and stability in Hong Kong and Macao and to the construction and reunification of the motherland.

Article 11. The CPPCC National Committee and local committees publicize and assist in the implementation of the state policy on intellectuals to develop to the fullest extent their role in construction for socialist modernization.

Article 12. The CPPCC National Committee and local committees publicize and assist in the implementation of state policy on nationalities and transmit the opinions and requirements of minority nationalities. They also contribute their efforts to developing the economy and culture of minority nationality areas, to defending the lawful rights and interests of minority nationalities, to improving and developing the socialist relations between nationalities, to strengthening the great solidarity of all the nationalities, and to safeguarding the unity of the motherland.

Article 13. The CPPCC National Committee and local committees publicize and assist in the implementation of state policy on religion and unite patriotic figures in religious circles and religious believers in making contributions to the construction and reunification of the motherland.

Article 14. The CPPCC National Committee and local committees of the CPPCC publicize and assist in the implementation of state policy on affairs concerning Chinese nationals living abroad, strengthen their connections and unity with the latter, and encourage them to contribute to the construction of the motherland and to the great cause of reunifying the motherland.

Article 15. The CPPCC National Committee and local committees publicize and assist in the implementation of the state's foreign policy. In line with the actual situation, they vigorously initiate people's diplomatic activities with a view toward strengthening friendly contacts and cooperation with people all over the world.

Article 16. The CPPCC National Committee and local committees collect, study, and publish materials concerning China's recent and contemporary history in accordance with the characteristics of a united front organization.

Article 17. The CPPCC National Committee strengthens connections with its local CPPCC committees, exchanges information and experience with them, and does research on problems shared by the local committees.

## Chapter II. General Organizational Principles

Article 18. The CPPCC establishes a national committee and local committees.

Article 19. The CPPCC National Committee is made up of representatives of the CPC, democratic parties, non-party democratic figures, people's organizations, minority nationalities, and people from all walks of life, and of representatives of compatriots in and from Taiwan, Hong Kong, Macao, and returned overseas Chinese, as well as of individuals by special invitation.

The local CPPCC committees are formed in the light of local conditions with reference to the composition of the National Committee.

Article 20. Parties and organizations which endorse this constitution may, upon consultation and approval by the CPPCC National Committee's Standing Committee, participate in the CPPCC National Committee. After consultation, individuals who are invited by the CPPCC National Committee's Standing Committee may also participate in the CPPCC National Committee. Participation in a local CPPCC committee is handled by the said committee in accordance with the aforementioned stipulations of this article.

Article 21. All units and individuals participating in the CPPCC National Committee or a local CPPCC committee must dutifully observe and carry out the CPPCC Constitution.

Article 22. The local CPPCC committees must dutifully observe and carry out the resolutions adopted for nationwide application by the National Committee; lower-level local committees must dutifully observe and carry out the resolutions adopted for regional application by higher-level local committees.

Article 23. The relationship between the National Committee and the local committees of the CPPCC and between a local committee and local committees at a lower level is one of the former giving guidance to the latter.

Article 24. A resolution of the plenary session of the CPPCC National Committee can be adopted only with the concurrence of more than one-half of the members of the plenary session. A resolution of the CPPCC National Committee's Standing Committee can be adopted only with the concurrence of more than one-half of the



members of the Standing Committee. All participating units and individuals must observe and carry out such a resolution. If and when there is any disagreement, they may declare their reservations but must resolutely carry it out. The same applies to the local committees.

Article 25. Members of the National Committee and local committees of the CPPCC have the right to vote and stand for election at the meetings of the committees to which they belong and to raise criticisms and suggestions with regard to the work of their committees.

Article 26. All units and individuals participating in the National Committee and local committees of the CPPCC have the rights to participate, through their committee meetings or organization, in the discussion of major state policies and important local matters; to raise suggestions and criticisms regarding the work of state organs and state functionaries; and to inform, expose, and take part in the investigation and inspection of acts of violating discipline and laws.

Article 27. Any unit or individual participating in the National Committee and local committees of the CPPCC is free to declare its withdrawal from these organizations.

Article 28. When a member unit or individual of the CPPCC National Committee or local committees has gravely violated the CPPCC Constitution or resolutions of the plenary session or the Standing Committee, the CPPCC National Committee's Standing Committee or the standing committees of local committees may, in accordance with the gravity of the offense, take the disciplinary measure of issuing a warning or disqualifying from membership the unit and individual concerned.

If the unit or individual concerned disagrees with the disciplinary measures taken, the said unit or individual may ask for a review of the case.

### Chapter III. The National Committee

Article 29. The participating units, the number, and the choice of members of each National Committee are decided on by the Standing Committee of the previous National Committee through consultations.

When the National Committee deems it necessary to increase or change the participating units or the number and the choice of members during its term of office, its Standing Committee should make decisions through consultations.

Article 30. The CPPCC National Committee is elected for a term of five years. In extraordinary situations, its term of office may be extended, subject to approval by a majority of over two-thirds of the membership of the Standing Committee.

Article 31. The CPPCC National Committee has a chairman, a number of vice chairmen, and a secretary general.

Article 32. The CPPCC National Committee holds a plenary session once every year. When the Standing Committee deems it necessary, the plenary session may be convened before the due date.

Article 33. The following functions and powers of the CPPCC National Committee are exercised by the plenary session:

- 1) Revising and enforcing the CPPCC Constitution.
- 2) Electing the chairman, vice chairmen, and the secretary general of the National Committee and members of its Standing Committee.
- 3) Hearing and examining the reports on the work of the Standing Committee.
- 4) Discussing the major work policies and tasks of the CPPCC National Committee and adopting resolutions.
- 5) Participating in discussions of major state policies and raising suggestions and criticisms.

Article 34. The CPPCC National Committee sets up a Standing Committee to handle its affairs.

The Standing Committee is composed of the chairman of the National Committee, the vice chairmen, the secretary general, and a number of members. Its candidates are nominated through consultation by the political parties, organizations, nationalities, and figures from all walks of life participating in the CPPCC National Committee and are confirmed through election by the plenary session of the National Committee.

Article 35. The following functions and powers are exercised by the Standing Committee of the CPPCC National Committee:

- 1) Interpreting the CPPCC's Constitution and supervising its implementation.
- 2) Convening and presiding over plenary sessions of the National Committee of the CPPCC; the first plenary session of each conference is presided over by a presidium elected by the session.
- 3) Organizing and carrying out the tasks laid down in the CPPCC Constitution.
- 4) Implementing the resolutions of the plenary sessions of the National Committee.
- 5) Examining and approving important proposals to be submitted to the NPC and its Standing Committee or the State Council, when the plenary session of the National Committee is not in session.
- 6) Appointing and removing vice secretaries general of the CPPCC National Committee on the motion of the secretary general.
- 7) Deciding on the institution of, and changes in, the working organizations of the CPPCC National Committee, and appointing and removing their leading members.

Article 36. The chairman of the CPPCC National Committee is in charge of the work of its Standing Committee. The vice chairmen and the secretary general assist the chairman in his work.



The chairman, vice chairmen, and the secretary general make up the Chairing Council, which handles the important routine work of the Standing Committee.

Article 37. The CPPCC National Committee has a number of deputy secretaries general who assist the secretary general's work. It sets up a general office which works under the secretary general.

Article 38. The CPPCC National Committee may set up a number of specialized committees and other working organizations when necessary; this will be decided by the Standing Committee.

#### Chapter IV. The Local Committees

Article 39. Provincial committees, autonomous regional committees, and municipal committees of the CPPCC are established in the provinces, autonomous regions, and municipalities directly under the central government. Autonomous prefectures, cities with district divisions, counties, autonomous counties, cities without district divisions, and districts under the jurisdiction of a city may all establish their own local CPPCC committees if the conditions for doing so exist.

Article 40. The participating units, the number, and the choice of membership of each local CPPCC committee are decided on through consultations by the standing committee of the previous local committee.

When a local committee deems it necessary to increase or change the participating units or the number and the choice of membership during its term of office, its standing committee shall make the decisions through consultations.

Article 41. The CPPCC provincial committees, autonomous regional committees, committees of municipalities directly under the central government, autonomous prefectural committees, committees of cities with district divisions, committees of counties, autonomous counties, cities without district divisions, and districts under the jurisdiction of a city are elected for a term of five years.

Article 42. A CPPCC local committee has a chairman, a number of vice chairmen, and a secretary general. The local committees of counties, autonomous counties, cities without district divisions, and districts under the jurisdiction of a city may refrain from instituting a secretary general, depending on the circumstances.

Article 43. The plenary session of a CPPCC local committee is to be convened at least once a year.

Article 44. The following functions and powers of a CPPCC local committee are exercised by its plenary session:

- 1) The election of the local committee chairman, vice chairmen, secretary general, and members of its standing committee;
- 2) Hearing and examining reports on the work of the standing committee;
- 3) Discussing and approving relevant resolutions;

- 4) Participating in the discussion of major issues concerning state and local affairs and raising suggestions and criticism.

Article 45. A CPPCC local committee sets up a standing committee to handle its affairs.

The standing committee is composed of the chairman, vice chairmen, and secretary general of the local committee, and a number of standing committee members. The candidates are nominated through consultations by the political parties, organizations, nationalities, and figures from all walks of life participating in the local committees and are confirmed through election by the plenary session.

Article 46. The following functions and powers of a CPPCC local committee are exercised by its standing committee:

- 1) Convening and presiding over the plenary sessions of the local committee; the first plenary session of each conference is presided over by a presidium elected by the session.
- 2) Organizing and carrying out the tasks laid down in the CPPCC Constitution and carrying out the resolutions adopted for nationwide application by the National Committee and the resolutions adopted for regional application by higher-level local committees.
- 3) Implementing the resolutions adopted by the plenary session of the local committee;
- 4) Examining and approving important proposals to be submitted to the local people's congress at the same level and its standing committee or people's government at the same level, when the plenary session of the local committee is not in session.
- 5) Appointing and removing the vice secretaries general of the local committee on the motion of the secretary general.
- 6) Deciding on the institution of, and changes in, the working bodies of the local committee, and appointing and removing their leading members.

Article 47. The chairman of a local committee of the CPPCC is in charge of the standing committee. The vice chairmen and secretary general assist the chairman in his work.

The chairman, vice chairmen, and secretary general make up the chairing council, which handles the important daily work of the standing committee.

Article 48. A CPPCC local committee may, according to its needs, have one or more assistant secretaries general to help the secretary general with his work.

Article 49. The CPPCC provincial committees, autonomous regional committees, and committees of municipalities directly under the central government each set up a general office. The institution of specialized committees and other working bodies is decided by the respective standing committee in light of local circumstances and the needs of its work.

The institution of the working bodies of the local committee of autonomous prefectures, cities with district divisions, counties, autonomous counties, cities without district divisions, and districts under the jurisdiction of a city is decided on by the respective standing committee in light of local circumstances and the needs of its work.

#### Chapter V. Supplementary Article

Article 50. This Constitution goes into effect after it is approved by the plenary session of the CPPCC National Committee.

#### Report: Foreign-Funded Plants Mistreat Workers

HK0504142994 Hong Kong CHIUSHIH NIENTAI in Chinese No 4, 1 Apr 94 pp 53-55

[By Li Niangu (2621 1628 6311): "China's Internally Circulated Data Reveal Maltreatment of Workers in Foreign-Invested Enterprises"]

[Text] (Editor's note: This year's February issue of the internally circulated CPC magazine NEICAN XUANBIAN [0355 0639 6693 4882—Selected Reports for Internal Reference] includes a report by XINHUA reporter Li Niangu which reflects the fact that foreign-invested enterprises pay no attention to the safety of workers and that the workers are maltreated. The report enumerates shocking examples and statistics. We have reprinted the report here. Its original title was: Some Foreign-Invested Enterprises Seriously Encroach on the Legitimate Rights and Interests of Workers.)

The meeting of the presidium of the Second Session of the 12th All-China Federation of Trade Unions, which concluded not long ago, analyzed labor relations in foreign-invested enterprise and felt deep concern about how some foreign-invested enterprises had violated relevant Chinese laws and regulations, and had seriously encroached on the legitimate rights and interests of workers. It hoped that the departments concerned would attach importance to and concern themselves with this issue.

At present, 153,000 foreign-invested enterprises have been approved on the Chinese mainland, of which 47,000 enterprises, employing more than five million workers, have been completed and put into operation. On the whole, the labor relations in foreign-invested enterprises are stable, and most foreign-invested enterprises operate and organize production according to the law, but there are some quite serious labor-relations problems in some foreign-invested enterprises. According to surveys recently conducted by the All-China Federation of Trade Unions, there are five conspicuous problems:

#### Safety Neglected, Labor Conditions Poor

1. The labor and living conditions of workers are very poor. Even the most basic labor-protection measures in

safety and sanitation are lacking. Accidents occur frequently and the safety of workers' lives is not guaranteed. Surveys conducted by provincial and city trade unions in Guangdong, Fujian, Shandong, and Zhejiang show that in many foreign-invested enterprises—especially some labor-intensive enterprises for manufacturing plastics, toys, shoes, and textiles—the workshops are crowded with people and equipment, and are hot and sultry. The air there is polluted, and the noise far exceeds permitted levels. Zhuhai carried out a survey in seven foreign-invested enterprises and found that the levels of such toxic gases as benzene, toluene, and dimethyl benzene in the air exceeded national standards by eight to 10 times. The quarantine departments in Xiamen carried out tests on the air-borne dust content at 21 points in 11 foreign-invested enterprises, and found that permitted standards were exceeded at 14; air-borne toxic gases were tested at 23 points, at which permitted standards were exceeded at 18; and noise volume was tested at 69 points, with permitted standards exceeded at 33. A nonmetallurgical limited company in Fuzhou carried out open operations, long-prohibited in China, at its pyrophyllite pencil stone crushing section. The dust concentration exceeded national standards by more than 100 times. Shenzhen checked the health check-up forms of 260 staff and workers in foreign-invested enterprises and found that 46 of them suffered from anemia or had abnormalities in white blood cells or blood platelets, or had warning indications of other diseases in their blood.

What is even more serious is that some foreign-invested enterprises have ignored production safety, as well as China's labor protection laws and regulations. Serious man-made industrial accidents occur often and the safety of the workers' lives is not ensured. In a tableware company that employs 400 workers in Xiamen, 38 industrial accidents have occurred since it started operation four years ago and 39 workers had their fingers crushed. Recently, two large fires occurred in Shenzhen and Fuzhou in less than a month, resulting in the deaths of 144 people.

#### Insult, Punishment, and Beating

2. Workers are insulted, punished, or beaten, and their personal rights are encroached upon at will. Some foreign-invested enterprises do not respect minimum human rights, ignore China's laws, and use extremely brutal and backward management methods. Some enterprises have established rules forbidding workers to go to the toilet, to drink water, or to see doctors during work hours, and offenders are asked to stand before the others wearing a placard. A shoe plant in Putian, Fujian, punishes workers by asking them to stand in the rain, stand in the sun, or leap like frogs. A foreign management supervisor at the Shennmei Household Necessities Company in Shenyang found that a glass item had not been cleaned properly. He went as far as forcing the worker concerned to lick it with his tongue. A Taiwan businessman in Guangdong even punished several dozen members of a work team for a mistake made by only one of them, asking them to kneel on the floor. In 1993, case

after case of male "security" personnel illegally searching women workers were found in Tianjin and Qingdao. A restaurant run by a Japanese businessman in Shanghai once even illegally asked women workers to take off all their clothes during a search. Some foreign-invested enterprises even employed "supervisors" and "foremen" to serve as roughnecks.

### Working Extra Hours

3. Workers are compelled to work extra hours and labor quotas are set beyond the bodily strength of the workers. The eight-hour work day is the most basic right and interest the working class all over the world has struggled to achieve. The relevant laws and regulations in China also include explicit provisions on festivals, holidays, and days off. In quite a few foreign-invested enterprises, however, these legitimate rights and interests of workers have been willfully violated. In August last year, the Guangdong Provincial Labor Bureau carried out a survey in 17 foreign-invested enterprises in Shenzhen, Zhuhai, and Dongguan. It discovered that work hours at most of these enterprises were 10 to 12 hours daily, and there were no Sundays or days off. The Guangdong Provincial Federation of Trade Unions carried out a survey in 105 foreign-invested enterprises and discovered that with the exception of seven, in which the workers work three shifts, all the rest asked their workers to work extra hours. An enterprise even asked workers to work 36 hours at a stretch. Some foreign-invested enterprises increase workers' labor quotas at will. In a Sino-Japanese joint-venture watch company in Zhuhai, the labor quota per worker per shift in the workshop turning out second hands is fixed at 4,000 pieces, while the quota set in Japan is only 2,500.

### Wages Are Deducted, in Arrears, and Embezzled

4. Wages are on the low side, and the wages and overtime pay of workers are deducted, in arrears, and embezzled at will. Regulations in China state that the wages of workers in foreign-invested enterprises are not to be less than 120 percent of the average of those of state-owned enterprises with similar conditions of the same trade in the same locality. However, the wages of workers in many foreign-invested enterprises are on the low side, and some of them are even lower than the lowest local wage standard. In Shenzhen's Shikou Industrial Zone, for example, the Kaide Enterprise Company Ltd, which employs more than 1,300 people, pays workers only five to seven yuan per day, nearly half the lowest wage standard of 11.2 yuan per day in 1993 as announced by the Shenzhen City Government. According to a survey carried out in 75 foreign-invested enterprises in the Shenzhen, Zhuhai, and Shantou Special Economic Zones (SEZ), the lowest wage standard of workers in 41 enterprises is lower than that published by local governments of the SEZ's. These enterprises account for 55 percent of the surveyed total. The lowest wages of workers are only 140 yuan a month.

### Not Signing Contracts and Not Fulfilling Contracts

5. Workers are not recruited openly, but at will. Labor contracts are not signed with workers and signed labor contracts are not implemented strictly.

Some foreign-invested enterprises do not sign labor contracts with workers. As a result, workers' jobs are not safeguarded, the workers are not insured against unemployment, and workers' legitimate rights and interests are not protected by law. The Qingdao City Federation of Trade Unions carried out a survey in 48 foreign-invested enterprises and found that 11 had signed labor contracts with only some workers, and four had not signed any labor contracts at all. In 1992, Shenzhen carried out a general inspection on enforcing labor laws, made selective examinations among 280,000 workers and 205 enterprises, and discovered that 17 percent of workers had not gone through any labor formalities. The number of foreign-invested enterprises in the Shantou SEZ and Zhuhai which have not signed labor contracts accounts for 70 and 90 percent, respectively, of the total of such enterprises. Although some foreign-invested enterprises sign labor contracts with workers, the rights and obligations of the two sides are not on an equal basis. The contents of some contracts clearly violate the law, while those of others are self-contradictory. In the contracts of a joint-venture enterprise in Shanghai, there are articles restricting the time for workers to go to the toilet, stating the number of years during which workers may not fall in love with others, and giving enterprise management the power to dismiss any worker who does not follow the arrangements for working extra work hours. The labor contracts of a large restaurant in Shanghai had two versions, in Chinese and English, but the contents of these two versions were completely different. The boss let the workers read the Chinese version, but asked them to sign the English one. Before the probation period was over, some workers could no longer stand the illegal practices of using detectors to search them or to search their bags, and wanted to terminate their contracts although they had to forfeit 340 yuan of cash pledge as stated in their Chinese contracts. However, the administration of the restaurant took out the English versions of the contracts, which stated that the workers had to pay 5,000 yuan in compensation, in addition to the cash pledge. A Shenyang enterprise, which was entirely owned by a businessman from the Republic of Korea, took advantage of the six-month probation period for new workers. It recruited workers secretly, dismissed them in less than six months, and recruited other workers in a bid to avoid signing labor contracts or paying workers' insurance fees. At present, most foreign-invested enterprises recruit young workers, then dismiss them within a few years. In reality, this is to shift the responsibility for paying workers' pensions onto society, and will constitute a problem for China in the future.

### Work Stoppages, Strikes, and Go-Shows

Owing to frequent conflicts between labor and capital in some foreign-invested enterprises and because of tense



labor relations, some unexpected events have occurred, such as suspension of work, strikes, and large numbers of people applying for an audience with the higher authorities to appeal for help. They have affected social stability and security. In 1991, the Shanghai municipal arbitration organs handled 70 cases of major labor disputes at foreign-invested enterprises; in 1992, the number increased to 111. In Fujian Province, the number of major labor disputes occurring at foreign-invested enterprises in 1993 was 582 cases more than in 1991, an increase of 82.7 percent. In Shenzhen from January to May 1993, there were 185 cases of large numbers of workers applying for an audience with the higher authorities to appeal for help, as well as six strikes, with more than 100 workers taking part in each. Twelve cases of work stoppages or go-slows occurred in the Dalian Economic and Technology Development Zone in the first half of 1993.

### **Economic & Agricultural**

#### **Chen Jinhua Reports 'Escalation of Inflation'**

OW1804223894 Beijing XINHUA Domestic Service in Chinese 1431 GMT 8 Apr 94

[By reporters Li Yongsheng (2621 3057 0581) and Jiang Jun (1203 6511)]

[Text] Wuhan, 8 Apr (XINHUA)—At a national meeting of directors of commodity price bureaus which ended today, Chen Jinhua, minister in charge of the State Planning Commission, pointed out: It is necessary for commodity price departments at all levels to make their efforts in drawing up measures revolve around residents' daily necessities, basic service items, and important means of production; to resolutely stabilize the prices of residents' "rice bag," "vegetable basket," and "store"; and to achieve success in the near future.

Chen Jinhua pointed out: While various important reforms of the economic structure are taking big strides forward, the national economy has kept up satisfactory operations since early this year. A conspicuous problem in our current economic life is the further escalation of inflation and the excessively rapid increase of commodity prices on the market. The retail price index of commodities posted a monthly growth rate in excess of 3 percent this January and February; it is a phenomenon rarely seen since our implementation of reform. In particular, the prices of basic daily necessities, basic service items, and basic means of production which most greatly affect the masses' livelihood and national economic development have increased too much. All trades and professions have found it hard to bear the price increases. Stabilizing commodity prices on the market and bringing inflation under control have become a crucial link in our current endeavor to properly handle the relationships between reform, development, and stability and have become the most urgent task of our economic work.

Chen Jinhua said: The issue of the increase in commodity prices has caught the close attention of the CPC Central Committee and the State Council. The State Council recently adopted a series of measures to stabilize commodity prices. They are mainly: 1) Strictly exercising "two controls," namely, bringing under control the excessive growth of the scale of investment in fixed assets and the excessive expansion of funds for consumption; 2) successfully promoting in real earnest agricultural production as well as the implementation of the "vegetable basket" project to increase the supply of essential goods; 3) strengthening governments' regulation, control, and management of commodity prices on the market, including the establishment of a fund to cover the risks of the prices of grain and nonstaple foods; stepping up supervision over the prices of 20 categories of basic daily necessities and service items, implementing the marking of prices for commodities and services, and conducting general inspections of commodity prices nationwide; and 4) resolutely taking a number of economic measures to stabilize commodity prices and to improve the allocation, redistribution, and transportation of goods and materials so as to guarantee market supply. The people's governments and commodity price departments at all levels have adopted a series of measures to stabilize commodity prices, too.

He stated the requirement that commodity price departments at all levels resolutely implement the relevant measures drawn up by the State Council; that they focus attention on stabilizing the prices of grain, edible oil, nonstaple food, important means of production, and particularly means of agricultural production as well as the fees collected for basic services; and that they persist in conducting inspections and making corrections while propagandizing and handling the task. In particular, he required them to tackle typical cases among the hot issues of concern to the masses, to make timely corrections, and to sternly investigate and deal with them so as to bring into full play the deterrent role of commodity price inspections.

Chen Jinhua pointed out: Governments must exercise regulation, control, and management of commodity prices on the market under the conditions of a socialist market economy. This is a common experience gained by the countries that adopt a market economy. The decentralization of prices does not mean the fulfillment of reform tasks. We cannot let market prices go up and down unchecked or let enterprises set prices without standardization. As the prices of the overwhelming majority of commodities have taken shape on the market, the establishment of a perfect system for the regulation and control of prices has become an urgent task for us in our endeavor to deepen reform under the circumstances. However, we must meanwhile pay attention to adopting new thinking and methods for exercising regulation, control, and management in light of the requirements of a market economy. We must standardize the market, bring the excessive increase in commodity prices under control, and prevent drastic



price fluctuations; meanwhile, we must avoid rigid controls over prices and a slip back into the old rut of planned prices.

Chen Jinhua stressed: At present, the work of [stabilizing] commodity prices is very great and difficult. The establishment of a new price mechanism is an important integral part of the framework for the building of a socialist market economic system; price regulation and control constitute an important link of the state's macroeconomic regulation and control; and the work of [stabilizing] commodity prices is an indispensable, important task facing governments at all levels in exercising economic management. In compliance with the requirements set by the State Council, we must maintain the stability of the organizations of commodity price departments as well as the contingents of their personnel, and we must beef up the necessary forces for inspections. Commodity price departments at all levels must be held in exploring, must carry out their tasks in a down-to-earth manner, must give full play to their functions, must stabilize the overall situation, and must promote sustained, rapid, and healthy national economic development [ca jin guo min jing ji chi xu kuan wu jian kang di fa zhan (1191 6651) (1948) 3746 4642 5444 2170 4158 1316 6643 (1256) 1460 (1966) 4199 1433].

#### Combating of Illegal Textile Transshipment Reviewed

##### Activities Said "Under Control"

QINJIAOJIESHIMU Beijing XINSHUA Domestic Service in Chinese 1107 GMT 10 Apr 84

By RENMIN RIBAO reporter Zheng Daping (6774 1795 (1474) and XINSHUA reporter Jiang Jun (1213 6511)

[Text] Guangzhou, 10 Apr (XINSHUA)—Following a series of measures taken by Chinese Government departments to curb and crack down on the illegal export of textiles through the transit trade, such activities have been brought under control.

Shi Guangsheng, vice minister of foreign trade and economic cooperation, made the above announcement at the fourth national work conference on cracking down on the illegal export of textiles through the transit trade, which opened today. The conference, which is cosponsored by the Ministry of Foreign Trade and Economic Cooperation, the General Administration of Customs, and the State Bureau of Commodity Inspection, will formulate a set of specific procedures for cracking down on illegal transit activities and will name a number of enterprises involved in the illegal export of textiles through the transit trade.

Illegal transit textiles are textile products which were originally made in China but which were exported through fraudulent means to avoid the controls of textile quotas and through the transit trade via third countries or regions to countries having a quota limit on imports of

Chinese textiles. The vice minister said: Such activities violate not only Chinese laws and regulations but also international agreements and relevant bilateral accords, thus seriously jeopardizing China's foreign trade export conditions and environment. Recently, China has strengthened efforts to crack down on the illegal export of textiles through the transit trade. Principal leaders of local economic and trade commissions, customs offices, and commodity inspection departments, as well as textile companies, have strengthened their leadership over this work, while many localities have set up joint task forces, have formulated a series of rules and regulations, and have publicized them through various documents and the media, thereby enabling more enterprises to realize the serious harm caused by such illegal transit textiles and thereby bringing such activities under control.

He pointed out, however: The problem of illegal transit exports has not been totally solved. Although the Ministry of Foreign Trade and Economic Cooperation, the General Administration of Customs, and the State Bureau of Commodity Inspection have stepped up the efforts to curb and crack down on such illegal activities, and although the amount of illegal transit textiles exported after clearing customs is really insignificant, there still exist in Chinese territory a number of productive and operational undertakings aimed at illegally exporting textiles through the transit trade. Although the majority of foreign trade companies are aware of the need to crack down on the illegal export of textiles through the transit trade, and although they understand the relevant regulations against such illegal activities, some enterprises, especially foreign-funded enterprises and village and township enterprises, know little about the situation. For this reason, most of the problems result from them. Judging from the small number of cases uncovered occasionally, they resorted to more deceitful means.

Shi Guangsheng said: In cracking down in the future on the illegal export of textile products through the transit trade, we will—in accordance with the laws and statutes of the Ministry of Foreign Trade and Economic Cooperation, of customs, and of the goods inspection administration, and proceeding from the characteristics of their professional work—concentrate on quickly formulating a crackdown measure which stresses the division of work to check illegal activities and which also stresses coordination, and we will put this into effect as soon as possible. This year we will concentrate on the following tasks: While integrating prevention with control and cracking down, we will mainly rely on prevention; we will continue to carry out random checks of key areas and enterprises, strengthen the training of personnel assigned to crack down on the illegal transit trade in textile products, and coordinate closely with the governments of the relevant countries or the authorities of the relevant regions in the joint effort to crack down on the illegal transit trade.

### Measures 'Check' Illegal Trade

OW 11140153294 Beijing MINHUA in English  
1206 GMT 10 Apr 94

[Text] Guangzhou, April 10 (MINHUA)—A series of measures taken by the Chinese Government has managed to check illegal entrepot trade of textiles, an official said here today.

Addressing the fourth national conference on cracking down on activities of illegal entrepot trade of textiles, Vice-Minister of Foreign Trade and Economic Cooperation Shi Guangsheng said that in the recent period, the Chinese Government has strengthened its work on striking back at illegal entrepot trade activities. He added that leading members of departments of foreign trade and economic cooperation, customs and departments for inspection of import and export commodities throughout the country as well as various textile companies have strengthened their leadership over the work and have laid down a series of rules and regulations on it.

Meanwhile, Vice-Minister Shi said, many documents are being distributed and the mass media are being used to publicize the significance of the work to allow more enterprises to understand the severe harmfulness of illegal entrepot trade of textiles.

He explained that illegal entrepot trade of textiles refers to those activities of enterprises or individuals trying illegal methods to bypass the administration of textile importations and export Chinese-made textiles through a third country or region to those countries and regions which ration the quantity of imported Chinese-made textiles.

Vice-Minister Shi stressed that China will continue to actively cooperate with the governments of countries and regions concerned to crack down on activities of illegal entrepot trade.

The current conference was sponsored jointly by the Ministry of Foreign Trade and Economic Cooperation, the General Administration of Customs and the State Administration for the Inspection of Import and Export Commodities.

Zhou Keren, director of the Department of Trade Administration of the Ministry of Foreign Trade and Economic Cooperation, announced at the conference today that four enterprises in Liaoning, Fujian and Guangdong Provinces have been severely punished for their activities in illegal entrepot trade of textiles.

Shankou Company under Dongmao Industrial Co. Ltd. in Shenyang, Capital of Liaoning Province in northeast China, signed in August 1993, with a Hong Kong company to export 6,200 dozens of crowdy shorts and 1,980 dozens of pajamas for ladies to Singapore. The products were made by three factories in Shenyang, in Guangdong Province and in Yingkou city. However, they were labelled Fijian-made and were transited to the United States in October and November in the same year.

The Chinese Ministry of Foreign Trade and Economic Cooperation has decided to confiscate all the earnings from the business of Shankou Company, cut off all its quotas of export textiles from the business, and deprive it of its right to apply for such quotas in 1994. Besides, the ministry also ordered the Shenyang city committee of foreign trade and economic cooperation to have all the business activities of the company suspended. The ministry also suggested that the departments in charge of the company should sanction disciplinary actions for those people who are responsible for the illegal business.

The other three enterprises punished were Guangyu Xumen Co. Ltd. in Fujian Province, and Shifu Garment Co. Ltd. and Yongjia Garment Co. Ltd., both in Shantou city, south China's Guangdong Province.

### Four Firms 'Sterily Punished'

OW 11140155744 Beijing MINHUA Domestic Service in Chinese 1112 GMT 10 Apr 94

[By BENJIN BHWG] reporter Zheng Deyang (6774 1795 JAC/4) and MINHUA reporter Dang Dun (1205 6S110)

[Text] Guangzhou, 10 Apr (MINHUA)—Four enterprises in Shenyang, Fujian, and Guangdong have been sterily punished by the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) for engaging in illegal entrepot trade in textile products.

At the fourth national conference held today to crack down on illegal exports of textile products through transit trade, Zhou Keren, director of the MOFTEC Control Department, announced the circular on the decision to punish the four enterprises.

The circular said. In August 1993, the Shankou branch of the Dongmao Industrial Company in Shenyang signed a contract with the Zhuozing Company in Hong Kong to export 6,200 dozen jeans shorts and 1,980 dozen knitted women's pajamas to Singapore. This batch of goods was processed and manufactured by the Fulong Garment Plant in Guangdong's Zhongshan, the Wangjing Woollen Garment Plant in Shenyang, and the Wang Knitting Plant in Yingkou City. The goods were labelled "made in Fiji." In October and November last year, the goods were shipped in batches to Singapore and then re-exported to the United States. The goods were tracked down and seized by the U.S. Customs. The MOFTEC has decided to confiscate the income of the Dongmao Industrial Company derived from this business deal, to cancel all its textile product export quotas as well as its right to apply for a textile product export quota for 1994, and to order Shenyang City's Commission of Foreign Trade and Economic Cooperation to suspend all business activities of the Shankou branch of this company. The MOFTEC has suggested that the competent department mete out administrative punishment to those who are directly responsible for this matter.

In June 1993, the Guangyu Shareholding Xiamen Company in Fujian signed a contract with Taiwan's Jianru [Chienju] Enterprise Company, Limited to export 8,500 towel coverlets to Taiwan. In accordance with the request of this Taiwan firm, the Guangyu Shareholding Xiamen Company attached labels saying "made in Thailand," provided by the Taiwan firm, on the customs declaration, invoice, and packing list. In July of the same year Qingdao customs discovered the goods when the company submitted its customs declaration. The MOFTEC has decided to fine the company a sum of 20 percent of the value of the contract, suspend its textile product export right for two years, and correspondingly reduce Xiamen city's textile export quota for 1995.

The two other companies receiving punishment are garment plants in Guangdong Province's Shantou City. One is Shantou city's Shifa Dress-Making Company, Limited. In the crevices of the "washable" labels of 1,560 cotton shorts it manufactured for export were stitched made in Hong Kong labels. In September 1993, this batch of goods was discovered and seized by a product inspection organ. The company had been punished. The other was the Yongjia Garment Manufacturing Company, Limited in Shantou city. All 4,080 pair of cotton shorts it processed and manufactured for export were sewn with "made in Hong Kong" labels covered by offset printing paper printed with the words "made in China." In December 1993, this batch of goods was seized by a goods inspection organ, and the company had been punished.

The penalties meted out to these two enterprises by the MOFTEC were: suspending the two companies' textile product export rights for two years; correspondingly reducing Guangdong's textile export quota for 1995; and suggesting that the competent department mete out administrative punishment to those directly responsible for the fraud.

The circular urged the relevant foreign trade and economic cooperation commissions in the areas mentioned in the circular to concentrate on checking the textile product and garment processing enterprises in their respective areas to prevent recurrences of similar incidents, and asked customs not to handle export customs declarations for these few enterprises whose textile product export rights have been temporarily suspended.

## Reportage on National Foreign Exchange Center

### Operations Officially Begin 4 Apr

OW0704125194 Beijing XINHUA Domestic Service in Chinese 0958 GMT 4 Apr 94

[By reporter Wang Hongyang (3076 3163 3152)]

[Text] Shanghai, 4 Apr (XINHUA)—The China Foreign Exchange Trading Center [CFETC] officially began its trading operations here today.

This means that beginning today the interrelation between supply and demand reflected on the national foreign exchange open market with this center as the core will become the authoritative basis for deciding exchange rates in China; and that the Shanghai Foreign Exchange Market, which was established in 1988 as a regional trading center, has been promoted to a national foreign exchange trading center.

This national unified foreign exchange trading system, which links up with such big cities as Beijing, Tianjin, Hangzhou, Shenzhen, and Guangzhou, began operation at around 0900. Only the dollar was traded today. On a huge computer screen, the opening rate was displayed as 8.681 yuan to the dollar; the day's high, 8.7265 yuan; the day's low, 8.681 yuan; and the weighted average, 8.6967 yuan. At 1100, trading closed for the day at a rate of 8.6908 yuan to the dollar.

Dressed in yellow vests, traders representing some 70 brokerages and operators [zi ying shang 5261 3602 0794] took part in the first trading session today. Liu Guanghua [0491 0342 5478], a trader from the international business division of the Agricultural Bank of China's Shanghai City branch, told this reporter in the trading hall: "Trading was relatively smooth and steady throughout the day." As a broker, he concluded on behalf of his clients two buying contracts amounting to \$50,000 at the respective rate of 8.68 and 8.69 yuan to the dollar, and 17 selling contracts worth a total of \$840,000 at rates ranging from 8.71 to 8.72 yuan.

According to an authoritative person from the center, the official inauguration of trading at the CFETC is a major step of substantive significance in China's financial reform this year and has laid solid material groundwork for establishing in China a single, managed floating exchange rate system based on supply and demand.

The reform of the foreign exchange system launched at the beginning of the year has passed its transitional period smoothly in the first quarter. With the unification of the dual-track renminbi exchange rates, steady market operations, and stable exchange rates during the transitional period, the transitional goal has been basically attained. Coming into the second quarter, we are to carry out full-scale reform of the foreign exchange control system and implement a system of interbank exchange settlement and selling. The CFETC was officially inaugurated in conjunction with this process.

According to a briefing, the CFETC, adopting an independent accounting system and a membership system, is a nonprofit, self-managed market organization, in which designated foreign exchange banks act as the main traders. With its advanced communications network and computer system, the center becomes the first of its kind in the world to be able to simultaneously conduct transactions and settlements based on the principle of "separate price quotations—matching and transacting—



centralized settlement." The U.S. and Hong Kong dollars are the two currencies traded there for the time being.

It has been learned that 13 major domestic banks and more than 80 other Chinese and foreign banks and nonbank financial institutions will become members of the CFETC. Existing foreign exchange swap markets at various localities across the country remain open after the trading center was put into operation.

#### Operating Smoothly As of 6 Apr

HK0604072194 Beijing CHINA DAILY in English  
6 Apr 94 p 2

[By staff reporter Ren Kan: "Forex Market Opens Smoothly"]

[Text] The country's first interbank foreign exchange market has been operating smoothly since it started trading on Monday.

And the price of the U.S. and Hong Kong dollars remained fairly steady the past two days at the Shanghai-based China Foreign Exchange Trading Centre.

The US dollar opened at 8.6889 yuan and edged up to 8.6948 yesterday.

The average weighted price of the U.S. dollar yesterday was 8.6999 yuan, slightly higher than the previous average of 8.6967 yuan.

Total transaction value on Monday and Tuesday was \$89.77 million.

More than 2 million Hong Kong dollars (\$256,000) changed hands yesterday and the average price closed at 1.1275 yuan, slightly up from 1.1273 on Monday.

The centre only handles U.S. and Hong Kong dollar transactions.

But it has been hailed by market analysts as a major step forward in China's foreign exchange reform.

They say it will help make the country's rate truly reflect the supply and demand of foreign exchange.

Daily trading prices quoted on the market are referred to the central bank to set the next day's rate.

The central bank adjusts the exchange rate by buying and selling hard currencies on the market.

The official said it is hard to predict how the rate will change in the coming months, adding that its stability depends on the economy.

#### Officials 'Not Optimistic' About Balancing Trade HK1004082694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 1

[By staff reporter Pei Jianfeng: "Faint Hopes for Balancing Trade"]

[Text] Even though the growth in exports accelerated in the first two months of 1994, government experts are not optimistic about the prospects of balancing China's foreign trade this year.

Exports grew 13.6 percent during the first two months, 11.3 percentage points higher than the same period last year. Imports, meanwhile jumped 20.5 percent, down 2.5 percentage points from a year ago.

Still, this left a trade deficit of \$1.24 billion.

"From past experience, the beginning of a year is usually a period for more exports because commodities for export, especially agriculture products, are abundant at the time," said Wang Huaian, an economist with the Ministry of Foreign Trade and Economic Cooperation (Moftec).

At the same time, seasonal imports usually ebb because most domestic units are still drawing up plans for the year's imports, he said. Wang added that imports usually peak in the latter half of the year.

"It will be difficult for China to achieve a 10 percent growth in exports this year because there exist some unfavourable factors," Wang said.

The domestic market will continue to be brisk this year, he said, deterring enterprises from exporting their goods. Domestic price hikes squeeze exports by making them more expensive and trimming profit margins.

The devaluation of the renminbi, brought by the unification of the dual-track exchange rate system, has also reduced its purchasing power at home and pushed up the cost of exports, Wang said.

He noted that the pressure for imports is still rather strong this year.

The government hopes to slow down the growth of the economy. The official target this year is 9 percent growth in the gross domestic product.

But many local authorities are staking their plans on higher growth.

Such an economic expansion will surely stimulate the demand for imports, he said.

China wishes to set up more foreign-funded enterprises to bring in large quantities of imported equipment.

To improve its chances of re-entering the General Agreement on Tariffs and Trade (GATT), he said, China is opening its markets wider to worldwide competition.

The government has lowered tariffs and cancelled import licenses and quotas for numerous products.

Because of these factors, Wang said a trade deficit seems inevitable this year.

But the deficit could be slashed from last year's \$12.2 billion because of some positive factors, he said.

The rapid growth of industrial and agricultural production will provide more products for export, and the convergence of renminbi exchange rates can facilitate exports and curb imports.

### Official Says SEZ's Must Be Self-Reliant

OW0904205594 Beijing XINHUA Domestic Service in Chinese 1416 GMT 8 Apr 94

[By reporter Xie Jinhu (6200 6855 5706)]

[Text] Shanghai, 8 Apr (XINHUA)—Hu Ping, director of the State Council's Special Economic Zone (SEZ) Office, said after his inspection of the Pudong district: From now on, the development of special economic zones should shift from relying on preferential policies to relying on their own functions.

After a nine-day inspection, Hu Ping described Pudong's development and opening up as having very good momentum and being full of promise. He said: SEZ's should compete with one another in their development and opening up. Relying on preferential policies in development and opening up was a historical step of the past. Of course, the existing preferential policies will remain unchanged, but SEZ's should rely on their own functions in development hence. Pudong, as China's largest development zone, is making efforts to do so. For instance, it is taking a further step to improve foreigners' living environment, including providing a better shopping environment for foreign employees' wives and first-rate educational facilities and faculty for their children. These are the developments of their own functions, in relying on a superior environment of intangible factors to attract more investors.

Hu Ping said: The State Council has all along supported Pudong through its loan policy, and this support will not change. However, the development of Pudong has been proceeding very rapidly, and attention should be paid to making effective use of limited funds. I do not think that the present difficulties concerning a shortage of funds will affect Pudong's speed of development.

### Shenzhen 'Fifth Strongest' Developing City

HK0804140394 Beijing ZHONGGUO XINWEN SHE in English 0846 GMT 8 Apr 94

[Text] Shenzhen, April 8 (CNS)—Shenzhen, the special economic zone city in Guangdong Province, has seen rapid economic development in the past years, jumping to be the fifth strongest city in terms of economic strength in the country.

According to statistics from the municipal statistical bureau, Shenzhen was listed fifth in comparison and appraisal of the main economic indicators among 24 big cities in the country last year after Shanghai, Beijing, Guangzhou and Tianjin.

The city's gross domestic product (GDP) last year was RMB [renminbi] 41.354 billion, its scale of investment in fixed assets RMB 17.433 billion and its fiscal revenue RMB 6.725 billion. Judging from these three comprehensive economic indicators, the city was still far behind the other above-mentioned four big cities, its economic growth, however, was 10 to 20 percentage points higher than those of the four municipalities.

The city's GDP was only RMB 9.05 billion less than that of Tianjin.

Last year the city realized an export value of U.S.\$8.335 billion, ranking it first among the big cities in country with U.S.\$953 million more than that of Shanghai which was listed second and U.S.\$5.082 billion more than that of Guangzhou.

The city last year actually used U.S.\$1.432 billion of foreign capital, ranking it third in the country after Suzhou and Guangzhou.

The city's social commodity retail value last year was RMB 16.144 billion, resident savings deposits RMB 17.513 billion, industrial output value RMB 48.768 billion and industrial growth 36.3 percent, ranking it respectively eighth, sixth, eleventh and eighth among the country's big cities.

### Law To Standardize Government Purchasing Planned

HK0904083294 Beijing ZHONGGUO XINWEN SHE in English 0300 GMT 9 Apr 94

[Text] Beijing, April 9 (CNS)—According to relevant departments, China will formulate a law to standardize government purchasing.

Purchasing by government includes the purchasing and leasing of equipment or projects and various related services by government organs and their subordinate units as well as by state-owned enterprises using public funds. There are several reasons for the legislating of this law. First, the purchasing of equipment by government with public funds can guarantee the construction of the state's key projects, make the most reasonable use of public funds and assure the preservation of value and increase of state-owned assets. Second, it is aimed at implementing the socialist market economy and introducing the competition mechanism into government purchasing in a bid to raise transparency and practising an open, equal and fair means of purchasing through public bidding. Third, the invitation of tenders can put government officials' behaviour under public supervision to avoid corruption. Fourth, the implementation of public bidding is beneficial to the orderly development

of internal and international trade, offering opportunities to domestic and foreign businessmen. Fifth, the practice of public bidding make possible the keeping of enterprises' behaviour under legislative control, a move beneficial to enterprise self-construction. And sixth, the law will have a broad influence in socialist market legislation and great significance for the improvement of economic legislation in the country.

#### **Regulatory Committee To Re-Examine Futures Firms**

OW0804140394 Beijing XINHUA in English  
1319 GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—The Chinese Government will suspend the approval of new futures corporations and re-examine the qualifications of existing futures firms, according to a senior Chinese official.

These are China's latest steps to avoid a possible "over-heating" of the futures market and to bring the fledgling industry onto a healthy development track.

According to Zhu Li, secretary-general of China Securities Regulatory Committee, which was entrusted by the State Council last December to guide and monitor all futures trading in China, the country will also tighten the crackdown on underground futures trading.

The past two years have seen more than 500 futures corporations spring up across the country, of which 50 are Sino-joint ventures, and over 200 are unregistered ones.

At present there are 30 futures markets or trading centers in operation; trading items range from crude oil, farm produce, non-ferrous metal to black metal, building materials and treasury bonds.

However, many of these markets and corporations are not up to the required standards, Zhu said.

Moreover, some of the joint corporations are run for speculative purposes. They have employed whatever means possible to deceive Chinese clients, "resulting in the huge outflow of foreign currencies and great economic losses."

Zhu said that in the absence of a legal framework and international expertise, the futures trading at present in China should be done under strict supervision.

"Rushed experiments could only incur economic losses and even social unrest," said Zhu.

He revealed that the securities regulatory committee is working with relevant government departments in mapping out a more detailed plan to redress the disorder in the futures market.

#### **State Interests Stressed in Dividend Distribution**

OW1004005794 Beijing XINHUA Domestic Service in Chinese 1025 GMT 8 Apr 94

[By correspondent Ding Jianming (0002 1017 6900)]

[Text] Beijing, 8 Apr (XINHUA)—The State-Owned Property Administrative Bureau recently issued an urgent circular on state shares and share allocation, emphasizing that listed companies must uphold the rights and interests of state-shareholders during the new share allocation.

It is reported that some listed companies recently gave different treatments to state-shareholders, corporate-shareholders, and individual-shareholders with respect to new share allocation. Some companies ask state-shareholders to give up their right to new share allocation and let individual-shareholders enjoy the right exclusively. Other companies give state-shareholders cash dividends while allocating dividend shares to other shareholders. Such different treatments to shareholders hurt the legitimate rights and interests of state-shareholders. Besides, they do not conform to standards and international practices.

For this reason, the State-Owned Property Administrative Bureau, after consulting the China Securities Supervision and Administration Committee, issued the urgent circular calling on state-shareholders to effectively exercise their shareholder's rights and protect the interests of state shares at shareholders' meeting with respect to new share allocation. State-shareholders are urged not to blindly approve of new share allocations unless the company indeed needs more capital, unless issuing shares is the best way to raise the capital, unless the shares are issued at shareholders' request so as to maintain proper shareholding ratio, and unless state-shareholders have the ability to buy additional shares. Only under these conditions should state-shareholders agree to the allocation of new shares by listed companies.

The state-shareholders should use their veto power to stop new share allocations if the purpose of the capital fund-raising is unclear, if share allocation is not the best option, or if the state-shareholders do not want to make additional investments. If they are unable to stop the new share allocation, they should manage to buy the allocated shares, or sell their share allocation rights. Under no circumstances should they give up their share allocation rights. If the listed company is subject to the control of state-shareholders, the sale of the share allocation rights should not affect the controlling status of the state-shareholders.

The urgent circular emphasized: Presently the best way to sell the state-shareholders' share allocation rights is through negotiation, unless the securities supervision organ has other stipulations.

The urgent circular unequivocally demanded: At the shareholders' meeting, the state-shareholders should



oppose the practice of giving state-shareholders cash dividends while giving other shareholders dividend shares, and stress the principle of same treatment to all shareholders. If the shareholders' meeting of a listed company decides to turn the common reserve funds belonging to all shareholders into new shares, it should allocate the new shares to all shareholders in proportion to the number of shares they are holding. Failure to allocate new shares to state-shareholders will violate their right to the common reserve funds and reduce the proportion of state shares. For this reason, state-shareholders should clearly and definitely oppose such a practice at the shareholders' meeting, and should not agree to the unilateral reduction of the proportion of state shares under any pretext.

The urgent circular emphasized: Local state-owned property administrative departments and the State Council's functional departments, if without proper authorization, are not permitted to approve the request of state-shareholders for giving up the new share allocation right, accepting unequal share and dividend distribution plan, or unilaterally reducing the proportion of state shares.

The person in charge of a relevant department of the State-Owned Property Administrative Bureau pointed out during an interview with this reporter that the urgent circular was issued to protect the rights and interests of state-shareholders and to promote a healthy development of the stock market and those enterprises selected for experiment on the shareholding system. He said: The permission given to transfer of state-shareholders' new share allocation rights through negotiation does not mean the right may be sold in open market. Its sole purpose is to correct the old practice which does not conform to standards and international practices.

#### **CCTV Program on Consumption, Resource Taxes**

OW0904224194 Beijing Central Television Program  
One Network in Mandarin 0220 GMT 26 Feb 94

[Fifth of seven question-and-answer talks sponsored by the State Economic and Trade Commission and the State General Administration of Taxation, chaired by Jiang Qiangui, director of the State Economic and Trade Commission's Enterprise Department: "Answers to Questions Regarding Enterprises' Implementation of the New Tax System"—recorded]

[Excerpts] [video begins with a wide shot showing two women and three men seated in a row: Jiang Qiangui; Chen Jie, deputy director of the State General Administration of Taxation's Turnover Tax Department, who answers questions asked by the moderator and other participants; Zhang Qipeng, chief accountant of the Beijing Municipal Automobile Industrial Corporation; Liu Jian, deputy director of the Beijing Medical Radiographic Equipment Plant; and Wang Zhiyu of the Policy and Regulations Section of the Ministry of Coal Industry]

[Jiang] Viewers, comrades: Today we are presenting the fifth lecture of the "Answers to Questions Regarding Enterprises' Implementation of the New Tax System." In this lecture, we will mainly discuss consumption and resource taxes. Although consumption taxes will only be levied on products of (?) 11 major categories, they have drawn strong responses. Enterprises, especially mining enterprises and other resources-exploitation enterprises, are very concerned about resource taxes. Because consumption taxes were proposed, many comrades have asked: Both consumption and value-added taxes [VAT] are levied on some products. Is this a kind of double taxation? Director Chen, would you please explain this?

[Chen] First, I have to admit that this does involve double taxation. Why does the new taxation system stipulate that consumption taxes are to be levied on a small group of commodities because VAT is levied on the production and sales of all commodities? We call this method an integration of general regulation and special regulation—this method currently has been adopted quite widely by many countries. From the viewpoint of enterprises' production and business operations, under market economic conditions, enterprises themselves should mainly decide what and how they want to produce. The undesirable effects of taxes and other economic policies on enterprises should be minimized. [passage omitted]

Why do we have to add consumption taxes? Why do we permit double taxation? First, we want to restrict the production and consumption of some products; second, we want to place restrictions on some products of which the supply has outstripped the demand; third, we want to ensure that taxes on some products will be considerably reduced within a specific period. Incidentally, consumption taxes will be grouped into two major categories in the future. The first category will be routine, or fixed, taxes, such as those on cigarettes and liquor, which will be limited by means of a special regulation. The other category is [words indistinct], which may be readjusted from time to time in the future, depending on the economic development situation. [passage omitted]

[Jiang] Many people, especially mining enterprises and other resources-exploitation enterprises, have expressed their opinions about the resource taxes. Some of them have said after the new system is instituted, it will be better to buy minerals than to excavate them. Would you please give your opinion on this?

[Chen] The new central taxation system still maintains its function of regulating resources. However, there are some differences in form. In the past, there was only one list of taxation rates, which was applicable to all mining enterprises. The new system provides two lists: The first one is the Provisional Regulations on Resource Taxes, which were promulgated by the State Council, and the other is an auxiliary tax rates list which sets the lowest and highest tax rates for each kind of mineral product. The State Council's regulations contain stipulations concerning the tax rates for nearly all kinds of products

applicable to enterprises. But these regulations are a basic law, so they do not provide specific stipulations. [passage omitted]

[Wang] The resources tax rates are not very high and are considered local taxes. But, according to the Constitution and the Law on Mineral Resources, mineral resources belong to the state. Because of what reasons does the State General Administration of Taxation consider resource taxes to be local taxes?

[Chen] Resource taxes are regarded as local tax revenues. To be frank with you, the State General Administration of Taxation did not make the decision. The Finance Ministry studied the issue, and the central authorities made the decision. [passage omitted]

### Chain Stores Spreading in Large Coastal Cities

OW0904013994 Beijing XINHUA in English  
0126 GMT 9 Apr 94

[Text] Guangzhou, April 9 (XINHUA)—Chain stores, a management method of modern commerce, are now cropping up in some large and coastal cities in China.

Chains spread into China in the 1980s when the "Kentucky Fried Chickens" and "California Beef Noodles" were allowed to set up chains in the country.

As the state-run commercial enterprises could not monopolize the market any longer, some commercial enterprises started to adapt themselves to the market economy and learned to establish their own chain stores at the end of the 80s and beginning of the 90s.

By now, some 200 enterprises from Shanghai have set up over 800 chain stores in more than 20 provinces and cities; in Beijing, Xifu chain stores sell grain and local products in every corner of the city's residential areas; some 200 chain stores are scattered over the Pearl River Delta, an economically advanced area in south China.

Most of these chain stores are in fast food.

Some experts say that the development of chain stores in China is still in the primary stage and needs time to become fully-fledged. But an official from the Ministry of Internal Trade said that the government has an encouraging attitude to the chain stores and will assist their development.

### Urban Unemployment Rate at 2.6 Percent in 1993

HK0904083394 Beijing ZHONGGUO XINWEN SHE  
in English 0603 GMT 9 Apr 94

[Text] Beijing, April 9 (CNS)—Despite efforts made by the Chinese authorities at various levels to settle the problem of surplus rural labourers, the urban unemployment rate last year increased to 2.6 percent, up from 2.4 percent.

An official of the Ministry of Labour estimated that urban unemployment would reach three percent. Four

reasons are seen as the cause of this rise. First, the supply of labourers surpasses the demand. Second, the growing number of bankrupt or closed enterprises, leading to the rising number of unemployed and the prolonging of unemployment. The unemployed this year are estimated to reach five million with 1.8 million of them needing financial relief. Third, surplus rural labourers have speeded up their migration and are now put at 20 million. Fourth, difficulties facing settlement of the unemployed have increased.

Competition and profit-seeking has brought employment difficulties in forestry, mining, railway labour and the defence industry.

### Forum To Study Speeding Up Chang Jiang Economy

OW0904102694 Beijing XINHUA in English  
0847 GMT 9 Apr 94

[Text] Wuhan, April 9 (XINHUA)—A new society was founded on Friday [8 April] in Wuhan, capital of Central China's Hubei Province, to study how to speed up economic growth in the Chang Jiang River valley, one of the most developed areas in the country.

Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), serves as the honorary president of the newly established Yangtze [Chang Jiang] Society of Technological Economics. Guo Shuyan, vice-minister in charge of the State Planning Commission, serves as the president.

The society has five academic committees specializing in the study of developing energy resources, harnessing the Chang Jiang River and its tributaries, improving shipping services, promoting regional economic development and invigorating major state-owned enterprises.

The society was founded jointly by the Hubei Provincial Government, the Wuhan City Government, a subsidiary of the Chinese Ministry of Water Resources and a subsidiary of the Ministry of Communications.

The Chang Jiang River Valley, which produces 40 percent of China's gross domestic product, currently has 17 new- and high-tech development zones, a third of the nation's total.

The valley is expected to become China's economic center, with the construction of the Pudong New Area in Shanghai, at the mouth of the Chang Jiang River, and the undertaking of the gigantic Three Gorges project on the river's middle reaches.

### Foreign Capital Sought To Fund Highways

HK1004082394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10-16 Apr 94 p 1

[By staff reporter Dai Songcheng: "Foreign Capital Paves Way for Roadworks"]

[Text] China is attracting foreign investment and co-operation in building four trunk roads linking the country's east with the west and the north with the south.

The arteries will run from Tongjiang in Heilongjiang Province south to Sanya in Hainan; from Beijing south to Zhuhai in Guangdong; from Lianyungang in Jiangsu west to Huoerguosi in the Xinjiang Uygur autonomous Region; and from Shanghai west to Ghengdu in Sichuan.

They are expected to be completed by the year 2000, according to Minister of Communications Huang Zhen-dong.

The roads, with a total length of 140,000 kilometres, will go through more than 20 provinces and autonomous regions and link more than 100 major cities and important hubs.

Huang told the China Bidding Magazine that by the year 2000, China's roads will stretch 1.2 million kilometres, of which 18,500 kilometers will be of high grade.

To speed up the construction of roads, which are still the lifelines of the country's communications system, China is poised to encourage more foreign investment and co-operation, Huang said.

The minister said a big influx of overseas capital is expected this year as investors from the United States, Canada and Western Europe swarm in seeking business opportunities.

"China not only welcomes foreign investors to co-operate with Chinese partners to invest in, construct and operate the roads, but also supports foreign involvement in the development of communication infrastructure through the 'Build, Operate and Transfer' arrangement," Huang said.

"Build, Operate and Transfer" refers to a scheme in which foreign businessmen invest in the construction of a project, manage it for a fixed time, then hand over management and ownership to Chinese hands.

Huang said foreign investment has helped China build 1,700 kilometres of roads, of which 370 kilometres are expressways or high-grade roads.

From 1991 to 1996, another 1,600 kilometres of high-ways and high-grade roads are expected to be completed with foreign co-operation. During this period foreign investment will also help build 3,000 kilometres of roads in rural areas and ordinary roads, Huang said.

Meanwhile, 23 provinces, municipalities and autonomous regions have used or will use loans from international financial institutions and foreign governments to build 7,000 kilometres of roads.

The total value of these loans amounts to about \$1.7 billion.

In addition, Huang said that the construction of ports, which was opened to foreign investors before road work, has also absorbed significant foreign investment.

To lure more overseas capital, he said, China now allows foreign investors to co-operate with their Chinese partners in building and operating public wharves, loading and unloading cargo, and leasing docks.

They are also allowed to build wholly-invested special channels and docks that are limited to the use of the owners.

Huang said that by the end of 1992, \$1.66 billion in foreign capital had been used in building 29 ports. Of the 29 projects, nine have been completed.

Huang said that by 2000, China will have 1,100 berths of at least medium size, of which 650 will be in deep water.

### New Shipping Service to Europe Inaugurated

OW0904093994 Beijing XINHUA in English  
0716 GMT 9 Apr 94

[Text] Shanghai, April 9 (XINHUA)—A new and large 3,800-container ship, named "Dahe", has made her maiden voyage for Europe this week.

The service of seven other similar ships and a dozen of 2,500-container ships scheduled for late this year will make the China Ocean Shipping Group (COSG) own a total of 160,000 containers, ranked among the four biggest ocean fleets in the world.

The new Japan-built vessel, the fourth generation of container ship, is 175 meters long and goes at a speed of 25 knots, with a maximum loading of 50,800 tons, or about 3,800 standard containers. Her cruising radius is 19,000 nautical miles.

According to Li Kelin, president of the COSG container headquarters, the new container ships are to replace the existing fifteen 2,000-container ships serving on the China-Europe route.

Two services have been scheduled to set out from both the Shanghai and Tianjin ports to Europe by the new ships every month, and the cargo delivery time will be reduced by a week to 24 days.

COSG now has a total of more than 130 container-ships of various types navigating worldwide.

### Society Acclaimed for Ship Survey Quality System

OW0804134794 Beijing XINHUA in English 1245  
GMT 8 Apr 94

[Text] Beijing, April 8 (XINHUA)—The China Classification Society (CCS) has just been awarded a quality system certificate issued by the International Association of Classification Societies (IACS), it was announced here today.



Dong Jiufeng, CCS's president, told a press conference that this demonstrates that China is able to meet the world's highest standards in ensuring ship survey quality, so as to raise the level of maritime safety.

The 11-member IACS, founded in 1968, is an association representing the world's major classification societies. Its main objectives are to promote the highest standards in ship safety and the prevention of marine pollution.

IACS members annually carry out classification surveys on more than 40,000 ships, in terms of tonnage, this represents over 90 percent of the world's merchant fleet.

The China Classification Society, founded in 1956, was accepted as the IACS's tenth member in 1988. Since the 1980s, CCS survey business has developed rapidly. The society carried out not only classification surveys of Chinese flag ships during construction, but also surveys of foreign ships built in China.

With 14 branches and 18 offices at home and abroad, CCS now has more than 1,540 vessels under its classification, aggregating 12.34 million gross registered tons. This includes 126 vessels from seven countries and regions.

### East Region

#### Anhui Party Secretary on Ideological Work

OW1104100694 Hefei ANHUI RIBAO in Chinese  
5 Mar 93 p 1

["Provincial Ideological Work Conference Opens, With Lu Rongjing Delivering Important Speech"]

[Text] A provincial propaganda and ideological work conference opened ceremoniously in Hefei on 4 March. The conference, convened by the provincial party committee, was a grand meeting on the ideological front. Attending the conference were leaders of party, government, and military organizations in the province, including Lu Rongjing, Fu Xishou, Wang Taihua, Fang Zhaoxiang, Liu Guangcai, Shen Shanwen, Du Cheng, Shao Ming, Du Yijin, Wang Shengyun, as well as Hou Yong, head of the provincial party committee's leading group for foreign propaganda. Fang Zhaoxiang presided over the conference.

Du Cheng made a report on the guidelines laid down at a national ideological work conference.

Lu Rongjing delivered an important speech. His speech was divided into three parts: 1) Accurately appraise the situation on the ideological front and fully understand the heavy responsibilities on our shoulders; 2) continue to effectively perform propaganda and ideological work according to a basic guiding principle and four fundamental tasks; and 3) the propaganda and ideological front is extremely important, and party committees at various levels should effectively strengthen their leadership in this regard.

Lu Rongjing pointed out: This conference is one of great significance, and it is held in a crucial period in which our province is speeding up its economic development. The main tasks of this conference are that guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we should extensively implement the guidelines of the 14th party congress, the Third Plenary Session of the party's 14th Central Committee, and the 10th enlarged plenary session of the fifth provincial party committee; act according to the requirements set by the national propaganda and ideological work conference; and study how to further provide an effective ideological guarantee and mold favorable public opinion for a sustained, rapid, and healthy development of the economy, for maintaining political stability and all-around social progress.

Lu Rongjing said: On the province's propaganda and ideological front, we have done a great deal of fruitful work, scored remarkable achievements, and accumulated rich experiences since the Third Plenary Session of the party's 11th Central Committee. Propaganda and ideological work has played an important role in emancipating people's minds, changing their traditional ideas, unifying the thinking and actions of party organizations and people in the province, maintaining the political

situation characterized by stability and unity, promoting reform and opening-up in the province, and advancing economic development and the building of socialist spiritual civilization. The propaganda and ideological front has made a tremendous contribution to bringing about the excellent situation in which Anhui is today.

Lu Rongjing said: The propaganda and ideological front should firmly grasp the theory of building socialism with Chinese characteristics, a basic guiding principle. It should arm people with scientific theories, guide them with correct publicity, inculcate high ideals in them, and encourage them with fine works of literature and art. This basic guiding principle and the four fundamental tasks constitute the overall plan and strategic concept for effectively performing propaganda and ideological work in the course of accelerating the establishment of a socialist market economic structure. Lu Rongjing set forth requirements for propaganda and ideological work according to the province's actual conditions and in the light of the basic guiding principle and four fundamental tasks.

First, The most important task of the propaganda and ideological front is to persistently arm the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Lu Rongjing pointed out: Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the spiritual prop of the whole party and people throughout the country and a powerful ideological weapon for us to win victory in reform, opening-up, and modernization, and it is the basic guiding principle for our work in all fields. The propaganda and ideological front must firmly grasp this basic guiding principle and guide all its work with it so that our propaganda and ideological work will always keep to the correct orientation.

Second, we should act according to the overall interests of the party's work and persist in guiding people with correct publicity. Media opinion is not equivalent to public opinion; the former originates from but stands above the latter. Concretely speaking, they can be summed up in three sentences: Actively support and develop correct public opinion; conscientiously transform or overcome one-sided, irresponsible public opinion; resolutely resist or eliminate negative, harmful public opinion. This is a crucial year for deepening reform and promoting development. As far as Anhui is concerned, it is in a crucial period in which we can work hard to make progress or lag behind by relaxing our efforts. We must guide people with correct publicity and mold favorable public opinion for further reform, opening-up, the establishment of a socialist market economic structure, and the development of social productive forces throughout the province; and we should mold favorable public opinion for strengthening the building of socialist spiritual civilization and the development of socialist democracy and the legal system.

Third, we should cultivate a new generation of well-educated, well-disciplined people imbued with lofty

ideals and socialist moral values; strengthen ideological and political work among the masses; and step up mass activities in building a socialist spiritual civilization. 1. To cultivate a new generation of people, we should rely on the strength of truth—that is, we should guide and persuade people with truth through ideological education. 2. We should rely on the strength of moral quality—that is, we should bring the exemplary role of advanced models into full play. There are a number of advanced models around us. We should pay attention to discovering such models, conscientiously sum up their experiences, vigorously commend and publicize them, and strengthen their ranks. By so doing, healthy trends will become dominant in society. It is a strategic task to encourage the masses to strengthen the building of spiritual civilization, which should go on throughout the entire process of building socialism with Chinese characteristics. The "Main Points for Anhui Province's Mass Activities in Building Spiritual Civilization in 1994" worked out by provincial civilization commission consist of clear guiding ideology, tasks, and objectives. Various localities should implement these main points according to their own conditions. Party committees and governments at various levels must put mass activities in building a spiritual civilization as an item on their agendas and do this work as they carry out economic construction.

Fourth, we should vigorously publicize the main theme and promote the thriving and healthy development of cultural undertakings. Encouraging people with fine works of literature and art is an important task of the cultural front. Propaganda and cultural departments at various levels should vigorously make overall plans and organize people to create works of literature and art reflecting the main theme in order to satisfy the increasing spiritual and cultural needs of the masses and to encourage them to work hard to advance reform and modernization. At the same time, we should unwaveringly implement the principle of carrying out the antipornography campaign while making efforts to bring about prosperity, with a view to ensuring the healthy development of the cultural market.

Fifth, We should actively do foreign propaganda to make Anhui known and appealing to more foreign people. The province's general requirements for foreign propaganda are to: serve economic construction, promote opening to the outside world, make Anhui known to more foreign people, create a good image for it, help to create a favorable environment, and achieve good results. According to these general requirements, our foreign propaganda at present and for some time to come should focus on publicizing the province's conditions; its achievements in reform, opening up, and economic construction; its gratifying political situation and united people; and its favorable conditions for opening to the outside world. This year is the 45th founding anniversary of the PRC and the 15th anniversary of reform and opening up. We should seize this opportunity to systematically publicize Anhui by using various media in order

to make Anhui known to more foreign people and to increase its influence at home and abroad.

In concluding, Lu Rongjing stressed: Principal leaders of party committees at various levels should effectively strengthen their leadership and management in propaganda and ideological work, often study and analyze ideological trends in society, and promptly put forward appropriate principles and requirements for work in this regard. From now on, whether to attach importance to and to be good at propaganda and ideological work should be regarded as an important aspect in evaluating whether or not the leader of a locality or department is strong politically and competent in leadership, and in appraising the work performance of a locality or department.

Attending the conference were more than 570 people, including secretaries and propaganda department directors of various prefectural and city party committees; propaganda department directors of county party committees; leaders of organs directly under the provincial authority, universities, and large enterprises; and those attending a provincial conference of broadcasting and television bureau directors, a provincial conference of cultural bureau directors, a provincial conference on foreign propaganda, a provincial conference of journalistic and publishing work, and a conference of the provincial federation of literary and art circles.

#### **Jiangsu Governor Delivers Work Report**

OW1004121994 Nanjing XINHUA RIBAO in Chinese  
4 Mar 94 pp 1-2

[Jiangsu Provincial People's Government Work Report delivered by Governor Chen Huanyou at the Second Session of the Eighth Jiangsu Provincial People's Congress on 24 February]

[Text] Fellow deputies:

I am going to present the Jiangsu Provincial People's Government work report on its behalf. Please examine it. I would also like to ask members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and other observers to express their views on this report.

#### **I.**

The year 1993 was one in which people in Jiangsu proceeded victoriously along the path of building socialism with Chinese characteristics. People in Jiangsu earnestly followed the instructions Comrade Deng Xiaoping made in his important talks in southern China as well as the guidelines laid down in the 14th National CPC Congress; seized the opportunity; deepened reform; opened up wider to the outside world, intensified and improved macroeconomic regulations and control; and persisted in promoting material civilization and socialist ethics at the same time. The economy grew rapidly, new



headway was made in all areas, and the province enjoyed political and social stability. On the whole, the situation was very satisfactory.

**(1) As result of seizing the opportunity, the economy enjoyed sustained and rapid development.** We persisted in emancipating our minds, seeking truth from facts, and developing the economy rapidly and successfully. To deal with problems caused by high economic growth, we followed through with the state policy of strengthening and improving macroeconomic regulation and control, put financial and taxation affairs in order, intensified tax collection and price management, and adjusted the economic structure. This brought about positive changes in economic operations. The province's gross national product (GNP) in 1993 increased 18.5 percent, reaching 255 billion yuan. The goal of quadrupling (di er ge fan fan 4574 0059 0020 5064 3972) the GNP was achieved seven years ahead of schedule. The per capita GNP of 3,675 yuan was more than 1,000 yuan higher than the national average, and the province's overall economic strength leaped to a higher level. The economy developed in all rural sectors. Stronger leadership over agriculture and rural affairs, and efforts to stabilize all policies and control or reduce farmers' burdens safeguarded and mobilized farmers' enthusiasm. Despite all kinds of natural disasters, Jiangsu had fairly good agricultural harvests. The additional value yielded reached 42.18 billion yuan, an increase of 4.2 percent. The total output of grain and oil-bearing crops reached 32.797 million and 1.257 million tonnes respectively, approaching the output of 1992, which was a year of bumper harvests. Because of natural disasters as well as smaller acreage, cotton output declined by nearly 20 percent. All kinds of economic undertakings developed. The output of eggs, aquatic products, silk cocoons, and fruits increased quite substantially. New headway was made in afforestation. Because of expansion, upgrading, and quality control, village and town enterprises achieved higher economic returns and played an important role in Jiangsu's economic development. Rural areas' secondary and tertiary industries accounted for 84.6 percent of their total output value. That was 3.8 percentage points higher than that of 1992. New successes were achieved in building key water conservation projects and developing agricultural resources. The annual plans for controlling the Tai Hu and Huai He were accomplished, and the Tongyu He project proceeded rapidly. Industrial production maintained its relatively fast growth. Doing everything possible to overcome difficulties caused by capital shortage and strained energy supply and transportation facilities, we guided enterprises to organize production according to market needs, speed up restructuring, and achieve higher returns. The output of major industrial goods—such as steel, rolled steel, cement, petroleum products, automobiles, chemical fibers, ethylene, and plastics—continue to grow. Plans for developing 100 major new products and upgrading 100 types of key technology were fulfilled or overfulfilled. The value of industrial output increased 13.654 billion yuan, or 23.1 percent, and the production

and marketing rate reached 95.3 percent, or 1.6 percentage points higher than before. The per-unit consumption of major energy and raw materials declined, and the comprehensive index of industrial economic returns rose from 89.3 in 1992 to 99.3. The development of building industry continued to accelerate, and the additional value increased 23.6 percent. Significant progress was achieved in building key infrastructures and basic industries. Attention was paid to improving the investment pattern and ensuring the needs of priority projects so that there will be greater capacity for sustained economic development in the future. Public investment in fixed assets increased 51 percent, reaching 107.49 billion yuan. State units' investment in technological upgrading increased 50.8 percent, or 16.4 percentage points higher than the investment in capital construction projects; and investment in communications, transportation, postal and telecommunications services increased 59.3 percent, or 33.7 percentage points higher than industrial investment. The construction of the Shanghai-Ningbo Expressway and the first-grade Ningbo-Liuyungang and Ningbo-Tonghua Highways as well as the dredging of the canal in southern Jiangsu were in full swing; the early-stage construction of the New Nanjing Airport, the Jiangyin Changjiang Highway Bridge, the Xinchang railroad, and other major projects intensified. The reconstruction of the Yancheng-Nantong section of the No. 204 national highway and the first- and second-stage projects of rebuilding the highway network in southern Jiangsu were completed according to schedule. This has expedited local construction of communications facilities. Some generators in the Changshu Power Plant and the Huangpu Huaiyin Power Plant started to operate, increasing Jiangsu's generating capacity by 17 million kilowatts. With our fast postal and telecommunications development, Jiangsu has become China's second province with switchboards having total capacity for handling over 2 million telephones in urban and rural areas. All county seats can now be accessed by telephones, and portable phones are used everywhere in the province. Tertiary industry developed more rapidly. By setting up business and service concerns through multiple channels using multi-layered efforts, we expanded such new and developing trades as information, consultation, accounting, auditing, and law firms, thus increasing the added value of output from tertiary industry (di san chan ye zeng jia zhi 4574 0005 3934 2814 1073 0502 0237) by 20.3 percent to 62.3 billion yuan. Urban and rural markets flourished and stabilized. We fully enhanced the roles of market mechanisms, vigorously promoted commodity circulation, and ensured abundant market supply. Total volume of retail sales in 1993 increased 33.9 percent to 107.42 billion yuan. Banking and financial situations improved relatively. We vigorously encouraged savings, promptly increased loans, and optimized the credit structure. Various kinds of savings deposited in banking institutions in the province increased 36.9 billion yuan, with savings deposited by urban and rural residents increasing 19.7 billion yuan; loans of various types

increased 28.9 billion yuan. Money supply was controlled as planned. We strengthened tax collection and administration, vigorously managed financial revenues, and collected 22.13 billion yuan, or 45.3 percent more, financial revenues for that year.

(2) We continued to deepen all reforms, starting with the reform of the enterprise management and ownership system. We actively and steadily experimented with the standardized shareholding system in state-owned enterprises, forming a total of 600 limited liability companies and 104 limited liability stock companies in the province, six of which listed their stocks on the Shanghai and Shenzhen markets. In some small state-owned enterprises, we conducted various types of reforms which involved such efforts as transforming, transferring, leasing, contracting, and selling. Collective enterprises and village and town enterprises in cities and towns actively explored ways to innovate their systems, and nearly 10,000 village and town enterprises implemented the shareholding cooperative system. Individually owned and privately owned economic sectors developed rather rapidly. New features emerged in the establishment of enterprise groups: Enterprise groups in the form of chain stores appeared in the distribution sector; large-scale and highly efficient industrial groups equipped with high technologies emerged in the industrial sector; and a number of large enterprise groups started to venture into the world, seeking new ways to achieve transnational development. We achieved obvious results in the construction of the market system: Markets for consumer goods and means of production continued to expand; markets conducting transactions in such major elements as technologies, labor forces, financial matters, foreign exchange, stocks, property rights, and real estate developed rather rapidly; and intermediary organizations started to develop in various types of markets. We strengthened auditing and business administrative work. We made greater strides in price reforms: lifted control over the purchasing and selling prices of grain and edible oil; increased prices for cotton procurement; lifted control over and adjusted prices of such basic products as coal, electricity, and oil; and allowed market mechanisms to play an increasingly important role in our economic life. We carried out comprehensive housing reform, and entered a period in which we implemented social security system reform on a larger scope.

(3) We further expanded opening up to the outside world, and the export-oriented economy maintained vigorous growth. We fully displayed our superiority in economics, science and technology, and labor quality; further explored new horizons for growth; and actively pushed forward our export-oriented economy from south to north. We built provincial-level development zones at the same time as we were accelerating the construction of various types of state-level development zones. We launched extensive activities to attract businesses and investments, and scored great success in utilizing foreign investments. Province-wide, we approved the establishment of 10,032 new units of the three types of enterprises

which are partly or wholly foreign-owned, and directly used \$3 billion in foreign investments, or 1.1 times more than previous figures. We also used relatively more Taiwan investments. The scope of foreign investment has been broadened with a higher level of commitment and greater involvement in major projects. Foreign investment in the fields of energy, communications, basic industries, tertiary industry, and new and high technologies have increased markedly. The use of foreign funds has brought about a faster pace for transforming state-owned large and medium-sized enterprises. The restructuring of foreign trade continued to be deepened, resulting in an even better performance by the province's four major exchange earners—provincial foreign trade companies, county and city foreign trade companies, three-types of wholly or partly foreign-owned enterprises, and production enterprises with operating rights in the import and export business. Total import and export value for the year reached \$8.7 billion, an increase of 34.2 percent, of which the \$5.96 billion export value marked a 27.6 percent rise. Foreign contracts and labor cooperation services developed rapidly, with newly approved non-trading enterprises in foreign lands reaching 210 in number. Departments handling foreign, Overseas Chinese, and Taiwan affairs as well as customs and commodities inspection have an active role to play in the process of opening up to the outside world and economic development. International tourism enjoyed a favorable development trend last year with nearly 800,000 foreign tourists bringing in \$124 million in foreign exchange.

(4) We actively implemented the strategy of "developing Jiangsu through application of science and technology"; scientific, technological, and educational undertakings made new progress. Efforts were made to deepen the reform of the scientific and technological structure by implementing various policies and measures; to push a host of scientific research institutes majoring in promoting technological development to industrialize themselves by joining enterprise groups, where they could participate in or form their own technical development centers for a particular trade; to set up various non-government science and technology enterprises; and to explore formats in developing state-owned enterprises by private management. Shifting of scientific and technological achievements toward the production field has been accelerated with the technological trade transaction volume exceeding 1 billion yuan. Intensification of basic studies and major scientific and technological research has resulted in the development of a string of leading—both in and outside China—scientific and technological achievements. While speeding up the construction of key provincial laboratories and scientific and technological development experimental centers, we have achieved marked results in comprehensive agricultural experiment and exhibition bases, and sample scientific and technological construction in towns and villages. The industrialization process of high and new technologies has been quickened, while headway was made in constructing state-level high and new technological industry

development zones. Total revenues derived from technological industry transactions amounted to 4.76 billion yuan. Plans for the setting up of 10 "spark technology-intensive zones" have been approved, while a string of projects under both the "Torch Plan" and the "Spark Plan" at provincial level and above have been implemented. Educational undertakings were actively promoted with larger enrollment in ordinary institutions of higher learning, and that of assigned trainees and paying students accounting for 42 percent of total student enrollments throughout the province. The maintaining rate [gong gu lu 7255 (1942-3764)] for students attending primary and junior middle schools has increased steadily, while 56.8 percent of the population eligible for nine-year compulsory education went to school—a 20 percent increase over the previous year. Progress was also made in preschool education and special education for the mentally retarded and handicapped children. Education at the senior middle level has been accelerated with emphasis being laid on the development of vocational and technical education. Some 565,000 young and middle-aged illiterates throughout the province benefited from the illiteracy elimination program. Adult education and on-the-job training developed relatively fast, while urban and rural comprehensive educational experiments conducted in some cities and counties showed progress. A host of privately run schools have been established. Efforts were made to improve the running of major colleges and the teaching of key subjects in a bid to further integrate education, the economy, and science and technology to enhance their functions of serving economic construction.

(5) As result of efforts to improve urban and rural residents' living conditions, the masses' living standards were raised. Investments in commercial housing construction amounted to 9.91 billion yuan, up 231 percent from 1992. Residential buildings covering a total of 1.3 million square meters [sq m] of floor space were constructed in urban areas, thereby basically solving housing problems for homeless people and improving the living conditions of 16 percent of the population whose per capita living space was less than 4 sq m. New houses totaling 46 million sq m were built in rural areas. In cities, gas was available to 58.2 percent, and tap water to 93.4 percent of households; and expansion and construction of roads were sped up. The condition of drinking water in rural areas was improved markedly, with tap water available to an additional 2.3 million people. The incidence of contagious diseases dropped; the results of setting up national- and provincial-level hygienic cities were consolidated and developed. The natural population growth rate was 7.36 per 1,000, and was controlled within the targeted limit. Efforts for comprehensive improvement of the environment were stepped up, with new progress made in eliminating waste gas, waste water, and industrial residue. As a result of efforts to provide more employment, 206,000 unemployed people in urban areas found jobs. On the basis of developing production, efforts were made to increase urban and rural residents' incomes. Urban residents' per capita income that was

used for living expenses was 2,525 yuan, and the average per capita net income of farmers was 1,267 yuan. After allowing for price rises, these figures represented a 10.2 percent and 3 percent increase respectively, over the previous year. Civil and welfare facilities were improved, and work to help the aged and disabled was improved. Active efforts were made to assist poor areas to develop their economies, and a total of 300,000 people cast off poverty last year.

(6) As result of intensifying the construction of spiritual civilization, democracy, and the legal system, the political situation characterized by stability and unity was further consolidated. We launched an extensive drive to study the theory of building socialism with Chinese characteristics. Following the publication of Volume 3 of the "Selected Works of Deng Xiaoping," a mass study campaign was launched throughout the province, sparking enthusiasm among cadres and people to expedite reform, opening up, and modernization. In light of new circumstances and features under the conditions of a socialist market economy, we reinforced ideological education on patriotism, collectivism, and socialism. Adhering to the principle of emphasizing construction, we accelerated the implementation of Jiangsu's "Outline of the Program for Building Socialist Spiritual Civilization During the Eighth Five-Year Plan." We vigorously promoted outstanding national cultures, paid keen attention to the production of intellectual products, and obtained new results in literature, drama, music, dance, arts, radio, and TV as well as in journalism and social studies. Many creative works won national grand prizes. We intensified publicity aimed at foreign countries to make Jiangsu better known overseas. Mass campaigns to build spiritual civilization were launched successively and a number of provincial-level civility units were designated and commended. Cultural undertakings further developed, and construction of cultural facilities was quickened. Radio and TV broadcasts were brought to a wider audience, with TV broadcasting covering 93.3 percent of the population. We strengthened supervision over cultural markets and set up a preliminary management network characterized by unified leadership, division of labor, and coordination of various departments concerned. We achieved results in wiping out pornography and cracking down on illicit publications. Mass sports activities flourished, and the level of athletic sports was enhanced. Last year, athletes from Jiangsu scored good performances at the Seventh National Games, won nine world championships at major international competition, and broke three world and six Asian records.

To correspond with the demands of the socialist market economic system, we further strengthened democratic and legal system construction. Governments at all levels consciously subjected themselves to the supervision of people's congresses and their standing committees at the same level, as well as exploited the political consultative and democratic supervision role of people's political consultative conferences, democratic parties, trade



unions, and mass organizations. We handled a total of 787 various suggestions and motions submitted by deputies of people's congresses and people's political consultative conferences. The government earnestly did a good job in handling the people's complaints. It forged closer contacts with mass organizations such as trade unions, communist youth leagues, and women's federations. Nationality and religious work was strengthened. The legislation of local administrative laws, particularly economic laws, was quickened. We popularized laws through education. We earnestly carried out CPC Central Committee and State Council plans as well as the guidelines of the Second Plenary Session of the Central Commission for Discipline Inspection on the short-term anti-corruption struggle, and we achieved temporary results in the relevant work. We applied a practical approach to strengthen the task of building a clean government and made notable progress in guiding cadres to practice honesty and discipline. We dealt with a group of major and important cases, and handed down seven punishments on a group of corrupt elements. We took special steps to rectify several unhealthy styles, which were especially scorned by the people. We initiated measures to stop government officers from engaging in business and enterprises, abolished a group of wanton fee collections, and rectified the practice of spending public funds for local and overseas travel. We fully upheld the tasks for comprehensive control of social order and severely punished serious criminal activities and economic crimes in accordance with the law to eliminate the hideous social phenomenon. The people's armed police force as well as public security, state security, and judicial administrative departments continued to consolidate their development. We actively supported the construction and reform of Jiangsu-based People's Liberation Army troops. Our militia and reserve duty soldiers made new progress. We actively conducted "double support" activities, which enhanced army-government and army-people unity.

Last year, at a time when we experienced arresting contradictions and greater difficulties in economic life, it was not easy for Jiangsu to achieve these results in economic and social development. We realized that we must seize opportunities whether the economic environment is good or bad. The crux lies in making the best use of situations, developing strong points while avoiding weak points, and seeking development in restructuring. To quicken economic development, it is necessary to consciously uphold deepened reform and widened opening up, realistically resolve profound contradictions in economic operations, accelerate the pace of the transition to a socialist market economy, and continue to emancipate and develop social productive forces. We should always rely on the vast number of cadres and people, actively develop and advance, and strive to explore development avenues suited to local conditions. We will then be able to step forward more solidly and fearlessly.

Fellow deputies, in the past year, under the guidance of the theory of building socialism with Chinese characteristics and the party's basic line, the direct leadership of the Jiangsu CPC Provincial Committee, and through the unity and struggle of the entire province, various tasks determined by the First Session of the Eighth Jiangsu Provincial People's Congress for 1993 were basically accomplished. On behalf of the provincial people's government, I would like to express my heartfelt thanks to workers, peasants, intellectuals, cadres, Jiangsu-based People's Liberation Army troops, officers and men of armed police force, and public security cadres and police officers in the entire province, democratic parties, industry and commerce associations, and nonparty patriots, mass organizations, including trade unions, communist youth leagues, and women's federations, as well as Taiwan, Hong Kong, and Macao compatriots and overseas Chinese who have enthusiastically supported Jiangsu's modernization.

While affirming the achievements, we must soberly realize shortcomings and defects in the government's work and difficulties and contradictions on the road of advancement. Agriculture as the foundation of the economy is still relatively weak, and maintaining stable grain and cotton production remains a formidable task. The investment structure in fixed assets is not rational; energy, transport, and other "bottleneck" constraints stand out very prominently, and problems related to low-level and redundant processing industries have yet to be solved. Price rises are high, and vegetable and nonstaple food prices, in particular, have increased drastically. Poor management of enterprises and problems of safety in production and transportation have resulted in a number of major accidents. Science and technology, education, culture, and other social undertakings are incompatible with the development of the provincial economy. We are slow in changing government functions, and our thinking and work style still cannot meet requirements for the establishment of a socialist market economy. A handful of government functionaries are corrupt, and formalism and bureaucracy have undermined the government's ties with the masses. We must pay keen attention to and earnestly solve these problems.

## 2.

This year will be crucial for maintaining a sustained, rapid, and healthy development of the economy, as well as promoting reform. In line with the spirit of the Third Plenary Session of the 14th CPC Central Committee, the Seventh Plenary (Enlarged) Session of the Eighth Provincial Party Committee has put forth two targets to be accomplished by Jiangsu before the year 2000. The first is the target of reform, that is, to establish the basic framework of a socialist market economic structure in about five years, and the second is the target of development, that is, on basis of fulfilling in 1993 the objective of quadrupling the gross annual value of industrial and agricultural production, to realize the objective of sextupling the gross annual value of industrial and agricultural production, to substantially improve

Jiangsu's overall economic performance and comprehensive strength, and to bring economic prosperity to the people throughout the province ahead of schedule before the end of this century. Centering around these two targets, the overall requirement of the work of the government this year is: **Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, to comprehensively implement the guidelines of the 14th CPC National Congress and Third Plenary Session of the 14th CPC Central Committee in further emancipating minds, persistently seeking truth from facts, and firmly seizing the opportunity; to strengthen the intensity of reform in accelerating the process of internationalizing Jiangsu's economy; to speed up structural readjustment and scientific and technological progress for improving economic performance and efficiency, and maintaining sustained, rapid, and healthy economic development; and to intensify the construction of socialist spiritual civilization, democracy, and the legal system for safeguarding political and social stability, promoting the all-around progress of society, and opening up a new situation in reform, opening up, and modernization construction.**

The major targets of Jiangsu's economic and social development for this year are: The gross provincial product is to increase by 12 percent, including 4 percent in primary industries, 14 percent in secondary industries, and 18 percent in tertiary industries; financial revenue, by 7 percent; investments in local fixed assets, by 25 percent; imports and exports, by 9 percent, including at least 17 percent in exports; retail sales, by 20 percent; the general index of retail prices, by less than 12 percent; the average wage of workers and staff, by about 16 percent; the average net income of farmers, by at least 14 percent; the natural population growth rate, by less than 9.83 per 1,000; and urban unemployment rate, by less than 2.5 percent.

Many favorable factors can help us realize the various targets for this year. Judging from the domestic and international situation, we are facing a rare historic opportunity. We must seize, cherish, and make good use of this opportunity. As Jiangsu made a relatively early start in introducing market-oriented reform and practicing multi-directional opening, the provincial economy has developed in a sustained and rapid manner, social undertakings have expanded continually, and comprehensive economic strength has been built up substantially; thereby laying the sound foundation for expediting reform, opening up, and modernization construction. We must firmly grasp the central task of economic construction, and unite and rely on people throughout the province in jointly working to further improve work in all fields of endeavor.

Recently, the CPC Central Committee emphatically pointed out: The overall interests of the whole party and country's work are **seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability.** Work in all fields must serve and

be subordinate to these overall interests. To this end, it is necessary to pay close attention to the following aspects:

**—Placing deepening reform in a conspicuous position.**

Grasping the opportunities for self-development and pushing the economy to a new level after several years are the fundamental and pressing tasks we face. Meanwhile, it should be noted that an accelerated development must rely on deepening the reform. If we fail to grasp the current favorable opportunities brought about by reform and effectively resolve the inbedded problems in the economic structure and straighten out economic relations, we will be unable to maintain a sustained, rapid, and healthy economic development. It is therefore necessary to energetically push forward various reforms and strive to make breakthroughs in certain key issues. As many reform measures have been promulgated this year, the implementation of which involve greater difficulties, it is essential to enhance the concept of taking the situation as a whole and have them conscientiously implemented through meticulous arrangements and in a well-coordinated way, making sure that experiences are summed up in time to achieve concrete results.

**—Attaching importance to enhancing both quality and efficiency in economic growth.**

We should foster the concept of "development is the final word" for a speedier development whenever and wherever possible. As long as we stress efficiency and quality, we have nothing to worry about in developing an export-oriented economy. Of course, attention should be paid to avoid a lopsided pursuit of production values and a blind race for speed. We should establish a new mechanism for economic growth required by a socialist market economy, attach greater importance to bringing out the role of science and technology as the prime productive force, vigorously promote scientific and technological progress, and effectively strengthen operation management. We should attach importance to coordinated development among primary, secondary, and tertiary industry and within each industry itself—particularly the appropriate solution of such problems as "bottleneck" constraints in basic industry and the comparatively lower proportion of tertiary industry—to optimize the industrial structure. We should be more active in widening the scope of economic activities, strengthen the social division of labor, speed up the adjustment of stocks in social assets, and enhance an intensive management level and overall economic quality. We should apply guiding ideology in actual work and genuinely put economic construction on track with raising economic efficiency as its focus.

**—Opening wider to the outside world.** In facing a new situation brought about by accelerated reform and development, we must further enhance the sense of urgency that calls for opening wider to the outside world with even greater coverage and at a higher level. While vigorously developing an export-oriented economy, we should make full use of international

markets, funds, technologies, and resources to further enlarge total Jiangsu's economic strength; improve technological composition; enhance efficiency of resources disposal; and seek harmonious links with the international economy in a faster and better way to quicken the process of establishing a new socialist market economic system.

—**We must resolutely safeguard political and social stability.** Stability is indispensable for reform and development. Reform, opening up, and economic development cannot possibly proceed without social stability. Thus, while we must seize the opportunity for development, we must fully realize the problems ahead and work cautiously but with daring so that we can discover problems and solve them properly as soon as they are discovered. As reform proceeds, interests in various sectors certainly must be readjusted. This calls for meticulous ideological and political work. We must properly educate and enlighten the masses, pay attention to protecting their vital interests, and be concerned with improving their livelihood so that they will understand and support reform and so that reform will truly become their common understanding and conscious action. In handling economic affairs, we must consider both the immediate and long-range needs. While we must do our best, we must also assess our strength and do what we can. Overexerting ourselves is not proper. In short, we must take concrete measures to create a stable political environment and an economic environment that can facilitate reform, opening up, and modernization.

—**We must always uphold the principle of promoting material civilization and socialist ethics at the same time.** The deepening of reform, the broadening of opening up, and especially the establishment of the socialist market economic system, will certainly trigger profound changes in people's way of thinking, their concept of values, and their lifestyles. In line with these changes, we must intensify our efforts in promoting socialist ethics and make sure that our economic construction will proceed coordinated with the development of our socialist cause. Focusing on economic construction, we must draw up overall plans for promoting socialist ethics, building a democratic legal system, managing public security comprehensively, and intensifying ideological and ethical education so that we can foster our national spirit, promote good public conduct, and expedite the development of the socialist cause with Chinese characteristics in all sectors.

3.

To achieve the targets set for Jiangsu's economic and social development this year, we must focus our attention on accomplishing the following projects.

(1) **We must continue to deepen reform by promoting it in all sectors and making breakthroughs in key sectors.** Focusing on expediting the establishment of a socialist

market economic system, we must give priority to establishing a modern enterprise system and reforming macroeconomic management as well as carry out other project supporting reform.

**State enterprises must continue to replace their operating mechanisms and explore effective ways to establish a modern enterprise system.** Relating the operating mechanisms of large and medium state enterprises, which are pillars of the national economy, are essential for deepening their restructuring. We must continue to implement the "Enterprise Law" and the "Regulations Governing the Change of Operating Mechanisms of State-Owned Industrial Enterprises" so that enterprises can truly enjoy their privileges and fulfill their responsibilities. Enterprises must continue to improve their internal mechanisms and revitalize their operations through reforming their labor, personnel, and distribution systems. Certain large and medium enterprises should experiment with modern operating systems so as to explore ways to become modern enterprises and accumulate experiences in this regard. At least 20 percent of large and medium state enterprises should operate as corporate companies. The existing 400 or so enterprise groups should gradually reorganize themselves into businesses with stock held primarily by corporations. Enterprises in competitive trades operating in line with the state's industrial policy should be encouraged to reorganize themselves to become limited-liability companies funded by state and other corporations. Some large state-owned enterprises whose operations are relevant to the national economy and the people's livelihood should be designated to reorganize themselves to become limited-liability companies funded exclusively by the state. A small number of limited-liability companies should be designated to experiment with selling stocks in foreign currencies. Small enterprises should use various means to readjust their asset inventories. Efforts must be made to strengthen the management of state assets to make sure that the values of state assets can appreciate or be maintained, and that state assets will not be lost. Collective enterprises should continue to promote the joint-stock cooperative system. While promoting the development of public-owned businesses, we should encourage the establishment of independent and private businesses. We should treat all forms of enterprises equally and create for them conditions for competing on an equal footing.

**In line with the need to reform the macroeconomic system, we must earnestly reform the fiscal, taxation, banking, and investment systems.** All reform measures should be carried out in accordance with the state plan. The provincial plan of separating the provincial and municipal tax systems should be improved. A more equitable and binding fiscal system should be established. Local treasuries should make efforts to balance local revenues and expenditures and avoid deficits. Earnest efforts must be made to implement the new tax system, reform the tax system, and dovetail the new and old tax systems. Every effort must be made to explore additional tax



resources, manage taxation affairs according to law, strengthen tax collection and management, and prevent losses of tax revenue. We should assist relevant central departments to strengthen the central bank's supervision over the implementation of monetary policies and all types of financial institutions. Specialized state banks should take positive and steady steps to replace their operating mechanisms with those of state-owned commercial banks. Systematic steps should be taken to establish rural cooperative banks and municipal cooperative banks and to encourage foreign-funded banks and national commercial banks to set up branches in Jiangsu. We should actively promote standardized credit services between different regions and broaden credit avenues. We should develop and improve the securities markets and strive to have our request approved for setting up a provincial securities trade center. We should deepen reform of the insurance system, and speed up the development of insurance businesses. We must properly restructure the foreign exchange system and intensify the construction of the foreign exchange market. We will introduce mechanisms governing market competition so that enterprises can play stronger roles as main investors. We should, through promoting joint investment and selling stocks, guide capital to flow into industries and trades that badly need development.

**We should continue to speed up building a market system and continue to promote price reform.** We should give priority to establishing the markets for goods and services essential for production, such as money, technical expertise, property rights, labor, real estate, and information. We should continue to standardize and develop the money market, improve the comprehensive and supporting services in the marketing of technical expertise, encourage proficient personnel and workers to flow rationally, and develop market agent services. We should continue to establish and develop a large number of large, regional wholesale markets of agricultural and sideline products, industrial consumer goods, and capital goods; and these markets must have a fairly large capacity and be able to provide comprehensive services. We must intensify market management and supervision and crack down on the manufacturing and selling of counterfeit and inferior goods so as to protect fair competition. We must actively and steadily carry out price reform, continue to merge the different prices of capital goods, and continue to improve the mechanisms for price formation. We must speed up replacing the operating mechanisms of state-owned distributors so they can give scope to their leading roles in ensuring supply and holding down prices. We must earnestly implement the system under which localities can have special reserves of important commodities, and properly collect and use the funds for regulating market prices and hedging against risks caused by price fluctuations for important materials. We must intensify price supervision and inspection and make efforts to stabilize the market's commodity prices.

**We will gradually establish a rational system governing income distribution and social security, and promote comprehensive supporting reforms.** We must continue to make sure that enterprises have autonomy over their internal distribution so that their workers' wages can be truly commensurate with economic returns, and so that enterprises will establish or improve their mechanisms for restraining internal distribution. Institutions should have different wage systems and different forms of distribution. Self-supporting institutions may implement the same wage system as that of enterprises. On the basis of reforming their wage systems, administrative state organs should gradually establish their systems governing normal promotions and wage increases. We should gradually establish a consolidated organ to take charge of social security, and we should separate administration from the operation of insurance funds and tighten the management of all types of funds. Enterprises should improve their old-age pension systems and insurance against unemployment, carry out pilot projects on workers' medical services, and strengthen the functions of social services. We should establish a farmers' old-age pension system under which farmers' family support will be supplemented by community assistance. We must consolidate, develop, and improve rural areas' cooperative medical services, and carry out in selected rural areas experimental cooperative medical insurance projects. In light of state regulations, we must speed up housing reform, which places emphasis on selling publicly owned housing and which sells, rents, and builds housing simultaneously.

**(2) Vigorously develop an export-oriented economy and accelerate the process of economic internationalization.** While reforming the management systems for foreign trade and foreign exchange, we should seize the opportunity to expand our foreign trade in order to promote the development of an open economy.

**Continue to increase our ability to earn more foreign exchange through exports.** We should quickly change the operating mechanisms of foreign trade enterprises, accelerate the integration of trade and industry, trade and technology, and trade and agriculture and encourage large foreign trade enterprises to move toward industrialization and internationalization and to form enterprise groups. We should allow enterprises to export more of their products themselves and authorize more production enterprises, scientific research units, and commercial and materials enterprises the necessary conditions to deal with their foreign customers. We should continue to implement the market diversification strategy, with product quality as a top concern; we should consolidate and develop our traditional markets, vigorously open new ones, and increase our share in the international market. We should accelerate the building of an overseas economic and trade network, strengthen the association of our enterprises abroad, more extensively carry out international economic and trade activities, and raise our economic returns abroad. We should accelerate the readjustment of our export mix and support and

encourage the export of machinery, electrical products, technology-extensive products, and complete sets of equipment. Through scientific and technological progress, policy guidance, and improved management, we should strengthen the system for guaranteeing the quality of exports and after-sale service and increase our ability to compete in the international market. We should make great efforts to develop international tourism and increase our nontrade foreign exchange earnings.

**Further improve the scale and level of using foreign funds.** We plan to actually and directly use \$3.9 billion of foreign funds this year, a 30 percent increase over last year. We should make vigorous efforts to solicit foreign businessmen to invest in the province and to expand fields for investment. We should increase the total amount of investment by foreign businessmen and attract more consortia and multinational companies to invest in the province to expand the scale of projects and raise their level. We should encourage the foreign partner of a joint venture to increase his proportion of investment; we should encourage foreign businessmen to run wholly foreign-funded enterprises. We should particularly guide foreign businessmen in investing on a large scale in transportation, communications, energy, raw and semifinished materials, agricultural development, infrastructure facilities, and basic and tertiary industries. We should develop more technology-extensive and new and high-technology projects and accelerate the technical transformation of large and medium-sized enterprises by using foreign funds. We should conscientiously sum up experiences, further improve the investment environment, and strengthen macroeconomic guidance for and the coordination and management of enterprises with foreign investment. We should conscientiously make overall planning for various projects and the evaluation of assets. We should make sure that foreign-funded enterprises have enough investment, go into operation on schedule, have the ability to earn foreign exchange, and yield good economic results. We should make better use of loans from foreign governments and international financial institutions.

**Actively expand economic and technological cooperation abroad.** We should expand our economic cooperation with foreign countries. Our contracting of projects and provision of labor services abroad, now with the focus on construction and transportation, should develop into various fields, and we should raise the level of such economic cooperation. While increasing the export of manual labor services, we should also pay attention to the export of technological services. We should expand such economic cooperation by striving to contract larger projects for construction.

**Build various development zones according to high standards.** We should persistently implement the principle of giving top priority to using foreign funds, earning foreign exchange through export, and developing new and high technology. We should introduce appropriate-scale, up-to-standard, and high-efficient projects and strive to

operate such projects according to their distinctive features. We should establish a new, flexible, and high-efficiency management system and operating mechanisms and form a comprehensive, coordinated good-quality service network. We should start the construction of the Suzhou Industrial Park. The Zhangjiagang Bonded Zone is operated as a closed area [feng guan yun xing 1409 7070 6663 5887].

**(3) Strengthen the foundational position of agriculture, develop the rural economy in an all-around way.** We should fully implement the "policies and measures for developing agriculture and the rural economy at the current stage" of the CPC Central Committee and the State Council, deepen reform in rural areas, actively adjust the economic structure, stress increasing the income of peasants, and promote a sustained and all-around development of the rural economy.

**Actively establish a new operational system for the rural areas.** We should continue to consolidate and improve the responsibility system, the main form of which is the household contract with remuneration linked to output, and the system of unified management combined with independent management. Those contracts should be extended for 30 more years without change when they mature. The period of contract may be longer for agriculture of a development nature. In places with good conditions, we should speed up the development of large-scale operations in an appropriate manner. We should continue to promote reform of the marketing system for large-volume agricultural products and promote direct contact between producers and marketing departments. We should encourage and support cooperative economic organizations in the rural areas and peasants' entering the distribution field. We should promote the prosperity of rural markets and continue to promote the establishment of rural cooperative funds. We should strengthen the socialized service system in rural areas; establish various kinds of combined enterprises, including crop cultivation, animal husbandry, processing and marketing; and promote the integration of agriculture, industry, and trade. We should further strengthen collective economic organizations at township and village levels and give full play to the role of services provided by economic and technological departments related to agriculture. We should consolidate the contingents of service workers, expand the scope of services, and raise the quality of services.

**Continue to readjust the mix of agricultural production.** Agricultural production should be geared to the need of the market. We should vigorously develop the kinds of farming that provide high yields of fine quality with maximum efficiency and can earn foreign exchange. We should continue to stabilize the production of grain, cotton, and oil-bearing crops; guarantee their planting acreage; and find ways and means to seize an all-around bumper harvest in agricultural production for the whole year. We should vigorously develop diversified farming operations and gradually realize specialized production in various production bases and regions. We should give

full play to the advantage of specialized and large-scale production. We should develop export-oriented agriculture and encourage agricultural production enterprises with good conditions to export their products in a direct manner.

**Persist in using science and education to prosper agriculture.** We should strengthen the research of agricultural science and technology and the training of technical personnel, and promote the application of findings of agricultural science and technology. We should develop vocational training in the rural areas, do a good job in technological training at the grass-roots level, popularize knowledge of science and technology, and constantly raise the quality of peasants.

**Further improve conditions for agricultural production.** We should increase the proportion of local capital construction funds, budgetary funds, and credit funds for agriculture. We should also prevent the loss and shift of special funds for agriculture to other purposes. We should encourage collectives and peasants to increase their cash and labor investment in agriculture, and continue to implement the policy of using industry to supplement and develop agriculture. We should speed up the construction of large and medium-sized irrigation works and their supplementary facilities. We should do a good job in harnessing main rivers and building water conservancy works to strengthen the ability to resist natural disasters. We should accelerate the comprehensive development and utilization of agricultural resources. We should improve land administration and effectively protect farmland. We should seriously implement the responsibility system for concerned departments of the province and various cities and trades, and make sure that the supply of industrial products for agriculture, especially chemical fertilizers and other agricultural means of production, can be provided for peasants in a timely manner with good quality, adequate quantity, and reasonable prices. We should strictly control and reduce peasants' burdens, effectively protect the peasants' interests, and find ways and means to increase peasants' income.

**Vigorously develop and improve village and town enterprises.** We should stress promoting the joint stock system and speed up the reform of the ownership system of village and town enterprises. We should gradually standardize administration and prevent the loss of collective assets. In line with state industrial policy and the demand of domestic and foreign markets, we should step up the readjustment of industries and industrial production. We should accelerate technological transformation, strengthen the development of new products, and expand the market. We should vigorously develop economic associations of various forms and promote cooperation in specialized fields. We should improve organizational, operational, and financial management to further improve the quality, scale, and efficiency of enterprises. We should integrate the work of developing village and town enterprises with the development of public works and environmental protection. We should guide village

and town enterprises to concentrate in an appropriate manner so as to develop their combined advantages and lead to the construction of small cities and rural economic development.

**(4) Intensify structural adjustment to enhance overall economic quality.** We should closely rely on scientific and technological progress to quicken the pace of structural adjustment that may in turn help Jiangsu secure new edges in acute economic competition.

**Enhance scientific and technological involvement in the industrial economy and for better efficiency.** We will apply new technologies and techniques to accelerate the pace of transformation in traditional industries and vigorously develop new products. A host of technical transformation projects designed to improve key products will be appropriately implemented and unfinished jobs will be followed up to ensure successful development and production of important products. We will upgrade technological equipment to enhance our capability in developing science and technology. We will go all out to implement the "symbolic projects" to speed up industrialization of high and new technologies; to develop a string of high-technology, high value-added, and high exchange-earning key products; and to nurture a number of backbone enterprises with a strong high-technology background and new industries producing high-grade merchandise. While accelerating the adjustment of enterprises' organizational structure, we will, based on products and assets links, incorporate a host of large enterprise groups with improved professionalism and intensiveness. We will actively open up new markets, particularly rural and international markets and urge enterprises to improve their management, do more home work, enhance quality, produce more and spend less, and increase revenues and cut down expenditures. Enterprises running at a loss should make serious efforts to reverse the situation, while those already in the black should try harder to increase profits. We will strengthen labor protection and conscientiously improve workplace safety.

We will give full play to the superiority of the construction industry and be determined to enhance its management level and overall quality, diversify its operations, open up domestic and overseas construction markets, and raise its economic efficiency.

**Concentrate strength to improve infrastructure and basic industries.** We will maintain a reasonable size of investment, optimize the investment mix, and make sure that the limited financial and material resources will first be diverted to the construction of key projects. We will fulfill the annual projects of harnessing the Huaihe River and the Taifu Lake, complete construction of the main channel leading to the Yuhe River, strive to commission a 1.225-million kw electric power generating unit and related transmission installations, and accelerate construction of the Jiangsu stretch of the Shanghai-Nanjing Expressway and the first-class highways linking Nanjing with Lianyungang and Nantong respectively, and the



improvement of canals in Southern Jiangsu. Works will soon begin in constructing the new Nanjing airport and the highway bridge across the Chang Jiang at Jiangyin. Some 1.25 telephone switchboards will be added to improve better telephone services in both urban and rural areas, while communications networks will be further expanded with improved technology. Effective efforts will be made to ensure the availability of such important raw and processed materials as iron and steel, cement, acrylic fiber, and polyester. We will speed up revision and examination of overall urban and rural planning; strengthen city management; improve public utilities, including roads, water and gas supplies, fire services, and environmental protection. We will actively explore new sources and ways to raise funds from the community in support of certain key projects and exercise stricter project control to ensure engineering quality, shorter building time, and better investment returns.

**Speed up development of tertiary industry.** Efforts will be made to increase the proportion of tertiary industry in the gross national product through meticulous planning, rational distribution, and enhancement of overall efficiency. While upholding the principle of the state, collective, and individual playing their respective roles, we will encourage collective economic organizations in both urban and rural areas, privately run enterprises, and individuals to go ahead with the development of tertiary industry. We will optimize the internal structure of tertiary industry by developing pillar trades and professions closely related to production and livelihood of the people and characterized by little investment, quick return, high efficiency, and more job opportunities. While vigorously developing new trades and professions involving scientific and technological advancement, we will pay attention to the development of the intelligence-type of tertiary industry, including information, consulting, accountancy, auditing, and legal services. We will actively develop tourism and the entertainment industry; regulate the real estate market; adjust the mix in real estate investment; and speed up the construction of ordinary urban and rural housing, particularly that with little profit margin built for families with extreme financial difficulties.

**(5) Bring into play local advantages to promote common development of the provincial economy.** It is necessary to earnestly implement the outline program for economic development in seven cities in the Chang Jiang valley and four cities in northern Jiangsu, and to rationalize the economic structure so as to improve overall economic performance and competitiveness.

**Proceeding from the actual condition of each locality in blazing a path of development with local characteristics.** Localities in the Chang Jiang valley should fully utilize their geographical advantage and existing foundations in stepping up efforts to converge local economic development with Pudong's opening and development. They should further optimize the distribution of productive forces; go all out to explore ways for developing an export-oriented economy; expedite the establishment of

a sound market economic operational system; and strive to be forerunners in reform, opening up, and modernization construction; thereby making positive contributions to the provincial economic and social development. Localities in northern Jiangsu should mobilize the masses and cadres and work hard and self-reliantly to create the conditions for accelerating development. In exploring ways for developing an economy suitable for local conditions, they should pay particular attention to promoting diversified management and actively develop village and township industries. It is necessary to exploit local resources in developing intensively processed products and increasing the added value of products. It is also necessary to adopt more flexible policy measures to vigorously develop the publicly owned economic sector and to encourage individual and private economic sectors in urban and rural areas to invest in areas compatible with their operations. We must allow some areas and individuals to become rich first through hard and honest work and legitimate operation in order to accelerate the pace toward prosperity.

**Adopting practical measures to support northern Jiangsu to speed up economic development.** In view of northern Jiangsu's relatively weak economic foundation, the provincial government shall assist the region's development mainly through the following four measures: (1) We should expedite infrastructure construction. To further improve the investment environment, efforts shall be stepped up to construct main highways, including the Nanjing-Lianyungang and Nanjing-Nantong primary grade highways, the Nanjing-Yancheng highway, and the section of the national highway Route 204 in the north of Yancheng; to map out plans and complete the first-phase preparation for the Xuzhou-Lianyungang main national highway and the northern Jiangsu section of the Tongjiang-Sanya national highway; to start the construction of the Xinyi-Changzhou Railway; to map out plans and complete the first-phase preparation for coastal ports; and to speed up construction of the Yangzhou-Yancheng and Xinyi-Lianyungang optical trunks, and the construction of power stations and a number of basic industrial projects. (2) We should open the region wider to the outside world. We should bring into play the region's geographical advantage to continuously advance the strategy of opening up and developing the coastal region and the region along the eastern Longhai Railroad and should step up efforts to introduce investment from abroad and to establish lateral ties at home. In a bid to make the "showcase" of an open economy a great success, we should improve management of the existing national-level and newly established provincial-level development zones. Efforts should be made to utilize rich local resources and explore new ways for attracting foreign investors; and to integrate foreign trade with industry and agriculture, and energetically develop export-oriented agriculture. (3) We should quicken the restructuring of agriculture. Efforts should be made to earnestly implement the state's policies for strengthening the construction of commercial grain and cotton production bases and stabilizing grain and cotton production;

and to energetically promote diversified management and invigorate the rural economy. (4) We should strive to do a better job in assisting the poor and coordinate the southern and the northern regions in aiding the poor. We should earnestly implement various aid-to-the-poor measures, strive to build up the stamina of economically underdeveloped areas for self-development, and help them shake off poverty and become well off as quickly as possible. We should further adopt economic measures to encourage state enterprises, urban and rural collective enterprises, private enterprises, research units, and individuals from the south to set up associations and conduct cooperation in various areas, at different levels, and in diverse forms. We should encourage the south to speed up the transfer of labor-intensive industries to the north in line with the policy of readjusting industrial structure. We should encourage the south and the north to cooperate in the exchange of talented people and labor services, to complement each other with one's strong points, and to promote common economic development of the south and the north.

**(6) Further develop science and technology, education, and cultural undertakings to promote the all-around progress of society.** The development of science and technology, education, and cultural undertakings is a major component of the modernization drive as well as an important guarantee for the smooth progress of reform, opening up, and economic construction. We must attach great importance to reform and development in these areas while concentrating resources on promoting economic construction.

**Promoting the integration of science and technology with the economy.** In line with the principle of "holding fast to one end and leaving the whole field open," we should give priority to stabilizing a compact contingent of scientific and technical personnel engaged in basic research, high-tech research, key research projects, and public welfare projects. We should give free reign to the research, development, and business activities of organizations engaged in developing technology or providing scientific and technical services; actively develop scientific and technological enterprises run by nongovernmental organizations; energetically promote technology markets; and more quickly transform new scientific findings and technological achievements into actual productive forces. We should increase input into science and technology through various channels to formulate step-by-step a well-structured, rationally distributed, and highly efficient system of research and development; and to promote the development of exploratory research in new and high technology and their related industries. We should coordinate the deployment of scientific research resources for the purpose of solving knotty technological problems which have an important bearing on the national economy. We should encourage and facilitate scientific research institutes and institutions of higher learning to cooperate with enterprises in conducting large-scale, high-quality research. To do good work in importing and assimilating advanced technology and in

technical upgrading, we should establish a new framework under which the developmental efforts of research institutes are dovetailed to the introduction of imported technology. We should accelerate the construction of high-tech industrial development zones, and bring into play their leading role in readjusting the structure. We should strive to popularize advanced and applicable technologies, and step up the research and development of soft science. We should develop intermediary organizations for transferring technologies, attach importance to constructing bases for intermediate and industrial experiments, and form regional and professional organizations for technical renovation and a network for the diffusion of technology.

**Making it a strategic task to give priority to education.** We should further implement the "Outline Program for the Reform and Development of Education in China, ensure essential and stable input in education, and improve teaching quality and educational efficacy. We should accelerate the restructuring of the educational system and encourage joint management of schools in various forms to give rise to a new system in which the government plays the central role in running schools, and all walks of life pool their efforts to expand education. We should enhance the sense of urgency in enforcing compulsory education and continue to fight illiteracy. We should energetically develop vocational and adult education and other forms of social education and improve the structure of schools to better meet market needs. We should expand the decisionmaking powers of colleges and universities in running their own affairs, step up reform in the enrollment and employment system for graduates, adjust the establishment of specialties, and improve curricula and teaching materials and methods. Under the state's unified planning, we should concentrate resources to successfully run a number of key universities, subjects, and specialties. We should earnestly enforce the "Law on Teachers," improve the quality of teachers, safeguard teachers' lawful rights and interests, and foster a healthy atmosphere of respecting teachers and valuing education.

We should further create the environment and conditions for talents to emerge and play their full role. Training should be combined with the rational use of intellectual resources so as to bring into full play Jiangsu's superiority of talented people. We should coordinate the reform of the labor and wage systems with the system of promoting cadres, and should take steps to encourage fair competition and promote the rational flow of talents by opening jobs to public application. We should continue to improve the working and living conditions of intellectuals. In line with the principle of "supporting students studying overseas, encouraging them to return, and letting them decide for themselves whether to come or go," we should in various ways encourage talented people studying or residing in foreign countries to return and serve Jiangsu's reform, opening up, and modernization construction.

**Further prosper cultural work.** We should firmly adhere to the orientation of serving the people and serving socialism, implement the policy of "let a hundred flowers blossom and a hundred schools of thought contend," and follow the main guidelines while advocating diversification. We should seriously produce high quality spiritual products welcomed by the broad masses with emphasis on the "five firsts project [wu ge yi gong cheng 0063 0020 0001 1562 4453]." We should further develop the role of the theoretical, news, publication and cultural fields in uniting, encouraging, and educating the people, and have those fields serve the reform and opening up and the building of the two civilizations. We should seriously build spiritual civilization as outlined in the "Eighth Five-Year Plan," continue to improve and implement economic policy for cultural work, and increase investment through various channels to promote the development of cultural work. We should properly concentrate funds for doing some solid work to promote spiritual civilization. Based on the principle of giving priority to protecting and rescuing cultural relics, we should further improve the work of cultural museums. We should pay attention to the construction of libraries, cultural halls, scientific and technological pavilions and archives. We should strengthen cultural work at the grass-roots level, improve administration of the cultural market, and persist in "eradicating pornography" and cracking down on illegal publication activities.

**Strive to develop public health and sports work.** We should continue to unfold patriotic health campaigns in urban and rural areas and actively develop healthy cities. We should strengthen public health work, especially public health work and prevention of diseases in the rural areas. We should vigorously unfold various kinds of mass sports activities to strengthen people's bodies. We should conscientiously do a good job in holding the 13th Provincial Sports Meet and step up preparations for the Third National City Games. We should strengthen work to protect women and children, and attach importance to solving problems for the aged. We should show concern for and support the work for the handicapped, and strive to improve work and living conditions for disabled people.

**Seriously grasp the work of family planning and environmental protection.** We should strengthen the administration of family planning for the migrant population, improve management at the village level, consolidate the results of those units which have made improvements in family planning, and ensure that the birth control rate will exceed 90 percent. We should enhance people's consciousness of environmental protection, further strengthen the administration of environmental protection according to the law, achieve a comprehensive improvement of the environment in urban and rural areas, strictly control the development of new sources of pollution, and actively solve the problem of old sources of pollution. We should step up the pace of afforestation in plains areas, raise the level of greening in cities, and improve the ecological environment.

Fellow deputies! In the entire course of reform, opening up, and the modernization drive, we must pay strict attention to the construction of socialist spiritual civilization. We should arm the people with scientific theory, guide the people with correct public opinion, cultivate the people with a noble spirit, and encourage the people with outstanding literary and art works. We should organize the broad masses of cadres and people to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in a deep-going manner. We should continue to conduct education on patriotism, collectivism, and socialism; education on arduous struggle and building the country through thrift and hard work; education on vocational ethics and social morality; and education on the basic national situation. We should strengthen national defense education, enhance all people's consciousness of national defense, and show concern for and support the construction and reform of the People's Liberation Army units stationed in Jiangsu. We should continue to do a good job in building civilized units, villages, and towns; turning more families into families with new customs and civilized families; "making three outstanding achievements [chuang san you 0482 0005 0327];" building double-support cities (counties); "building civilized units jointly by the army and people;" "supporting the Army and giving preferential treatment to military dependents" and other effective mass activities to promote the building of spiritual civilization. We should pay attention to actual results and raise the quality of our work.

#### 4.

The new situation of reform, opening up, and the modernization drive has exerted higher requirements on government work. We should strive to raise our ideological standards, earnestly change government functions, conscientiously improve workstyle, strengthen administrative and coordinating capabilities, perform realistic work, seek pragmatic results, and continually strive to improve new working conditions.

**Expediently change government functions and properly handle organizational reform.** It is necessary to expediently transform government functions so that the government will engage in implementing policies on macro-economic regulation and control, in properly planning and constructing infrastructural projects, and in strengthening social administration. By applying a combination of economic, legal, and mandatory administrative means and indirectly regulating economic operations, the government should be compatible with, guarantee, serve, and enhance the development of a socialist market economy. In accordance with the principle of changing functions, improving relations, streamlining administration with fewer personnel, and raising efficiency, we should accelerate reform in government organizations. We should emphatically strengthen macro-economic regulation and control and supervision of departments, upgrade the departments in charge of social administration, and gradually reduce the number



of special organizations in charge of economic operations. We should accelerate reform in provincial government organizations and properly perform preparatory tasks before conducting reform in government organizations at city and county levels. We should establish, and later improve, a responsibility system for government organs and personnel at various levels so as to improve the personnel contingent and raise its quality.

**Actively promote democratic progress and enhance scientific and democratic processes in decisionmaking.** Governments at various levels should conscientiously accept the supervision of the people's congress and its standing committee at the corresponding level; should respect people's deputies' democratic rights; should earnestly listen to their ideas; should properly handle and implement people's deputies' proposals, suggestions, criticisms, and opinions; and should actively and properly coordinate with the people's deputies' experiment to appraise government departments' performance. We should uphold the system of multiparty cooperation and political consultation under the CPC's leadership. While making some major decisions and handling issues of common concern to the masses, we should, by holding democratic consultations and situation-report meetings, extensively listen to ideas of representatives from the Chinese People's Political Consultative Conference [CPPCC], from various democratic parties, from the All-China Federation of Industry and Commerce, and from people without party affiliation so as to give full play to their roles in political consultation and democratic supervision. We should properly handle CPPCC committee members' proposals. Furthermore, we should establish, and improve later, a democratic administrative procedure, and should pay attention to studying decisionmaking processes and consultations. Additionally, we should earnestly implement policies so as to further improve our work on nationalities and religious affairs, and on issues concerning Taiwan and overseas Chinese. We should attach importance to mass organizations including trade unions, the Communist Youth League of China, and the All-China Women's Federation which serve as bridges and links between the government and the people. We should also improve democratic management; and should let staffs and workers' congresses, residents' committees, and villagers' committees earnestly play their roles so as to further vitalize democratic activities at the grass-roots units.

**Enhance legal system work in a down-to-earth manner; exercise administrative functions according to law and raise work efficiency.** It is necessary to do an even better job in mapping out plans for government legal system work in line with the requirements for building a socialist market system. According to the five-year legislative plan worked out by the provincial people's congress, steps should be quickened to formulate local laws and regulations which complement state laws and regulations and which help standardize market practices, maintain market order, enhance macroeconomic regulation and control, perfect the social security system, and

promote opening up. A sound system for enforcement of administrative laws and regulations, for supervision and checking of law enforcement, and for reviewing administrative measures should be established, and the level of enforcing administrative laws and regulations should be raised. Phenomena such as disregarding the law, failure to strictly enforce the law, to investigate cases of breaking the law, and cases such as abusing power and breaking the law for departmental and regional interests in economic activities and in other activities should resolutely be rectified. Education in the legal system should be carried out in an in-depth manner so that people will gain an enhanced sense of the law. Steps should be taken to strengthen the work of helping to mediate disputes among the people. Efforts to enhance comprehensive management of social order are needed. Measures should be worked out to improve the leadership responsibility system over the management of social order. There is a need to do an even better job in crime prevention at the grass-roots level. Social forces must be pooled and mobilized to help combat crime. Efforts should be kept up to severely crack down on crime. Resolute and continued efforts should be exerted to check all kinds of social ills. Concrete steps should be taken to strengthen managing public places in urban areas as well as to enhance management of transients. The work of cracking down on smuggling should be pursued according to law. The police force must be strictly managed. Law enforcement personnel should strive to improve themselves and to raise their professional and administrative quality. At the same time, it is necessary to provide them with adequate funds for handling cases and to gradually improve their working conditions.

**Control abrupt commodity price rises and show concern for the people's livelihood.** Special attention should be paid to help solve problems which are of great concern to the masses. Management over commodity prices should be strengthened. There is a need to establish and improve a monitoring and control system over the prices of daily necessities which have a direct bearing on the citizens' daily lives. Attention should be given to vegetable and grain supply. All levels of governments are urged to continuously work out policies and measures to support the production and supply of nonstaple food, to run well hog-breeding and vegetable-growing bases, and to do a good job in nonstaple food production. While developing the economy, we need to do our best to help increase urban and rural citizens' incomes. We also need to pay teachers' salaries on time. The basic needs of life must be ensured for staff members and workers who have lost their jobs because their enterprises have gone bankrupt or because their enterprises have cut back on production. We need to provide effective relief for poor households in urban and rural areas and show concern for and help arrange retirees' post-retirement life. Importance should be attached to the work of handling well the people's mail and to the people visiting government departments to air grievances, to opening up channels

that would help forge a closer tie between the government and the people, to grasp in a timely manner the masses' opinions and demands, and to listen to and accept rationalization suggestions from the masses. It is necessary to correctly handle contradictions among the people which emerge in the new situation, to strive to solve problems in the initial stage, and to rely on the masses to help maintain and develop a stable and united political situation.

**Keep in mind the purpose of wholeheartedly serving the people; dutifully performing duties; and enhancing the building of a clean administration.** This is a basic task for building up the regime as well as an important guarantee for realizing smooth progress in reform and development. We should conscientiously implement the CPC Central Committee's decision on combatting corruption and do a good job to help bring about honest performance of official duties by leading cadres, particularly those cadres working at or above county-level departments. We will resolutely investigate major and important corruption cases and will resolutely mete out punishment to corrupt officials. We will conduct special anticorruption campaigns, exert great efforts to rectify unhealthy tendencies in various trades and professions, and consolidate and expand the results which we have scored in earlier anticorruption campaigns. At the same time, we need to establish a system that will enhance the building of a clean administration, to gradually put in place an effective internal and external supervision and restraining mechanism that will help prevent abuse of power cases. We will try to be thrifty as always in running all undertakings and to oppose extravagance. Personnel at all government levels must work hard, be pragmatic, and raise professional levels and work efficiency. More efforts are needed to study the theory of building socialism with Chinese characteristics, particularly to make in-depth study of volume 3 of the "Selected Works of Deng Xiaoping" and the "decision" adopted at the Third Plenary Session of the 14th CPC Central Committee. We must study and understand the socialist market economy and acquire such new knowledge as modern science and technology. As the state's major policies are already in place, the key lies in implementing them. We should develop a realistic workstyle; overcome bureaucratism; guard against formalism; go deep among grass-roots units to conduct investigation; understand actual conditions; promote advanced experiences; discover problems; properly handle contradictions; and make sure that all undertakings will progress in a positive and steady manner.

Fellow deputies! We now face a glorious yet arduous task in the new year. Let us rely closely on the people in the province; work with one heart and one mind; rouse ourselves for vigorous efforts; display a pioneering spirit; work in a down-to-earth manner to score a new victory for Jiangsu's reform, opening up, and modernization construction under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line and under the

correct leadership of the CPC Central Committee with Comrade Jiang Zemin as the core.

#### **Jiangsu Amends Land Law Implementation Procedures**

OW1004015094 Nanjing XINHUA RIBAO in Chinese  
5 Mar 94 p 5

[The Decision of the Standing Committee of the Jiangsu Provincial People's Congress on Amending the "Procedures for Implementing the 'Land Management Law' of Jiangsu Province" Adopted at the Sixth Meeting of the Standing Committee of the Eighth Jiangsu Provincial People's Congress on 22 February 1994]

[Text] After examining the provincial people's government's "Amendment (Draft) to the Procedures for Implementing the 'Land Management Law' of Jiangsu Province," the sixth meeting of the Standing Committee of the Eighth Jiangsu Provincial People's Congress has decided on the following amendments to the "Procedures for Implementing the 'Land Management Law' of Jiangsu Province":

1. The name of the statute "Procedures for Implementing the 'Land Management Law' of Jiangsu Province" is amended to "Procedures of Jiangsu Province for Implementing the 'Land Management Law'."
2. The first paragraph of Article 21 is amended to:

"Authority to examine and approve the requisitioning of land:

"(1) Where more than 1,000 mu of cultivated land, or over 2,000 mu of other types of land, is to be requisitioned, the provincial people's government shall report the matter to the State Council for approval;

"(2) Where over 30 mu of cultivated land, over 3 mu of vegetable land, or over 50 mu of other types of land is to be requisitioned, the approval shall be made by the provincial people's government"

"(3) Where cultivated land between 3 and 30 mu, vegetable land not exceeding three mu, or other types of land between 10 and 50 mu is to be requisitioned, the approval shall be made by the people's government of a city with district divisions;

"(4) Where cultivated land not exceeding three mu, or other types of land not exceeding 10 mu, is to be requisitioned, the approval shall be made by a county-level people's government.

"When the requisition of land for a construction project involves cultivated, vegetable land, and other types of land, the provincial, city, and county people's governments must abide by the previous paragraphs governing their authority to examine and approve the requisitioning of the land involved. In addition, with regard to the total number of mu in one requisition approval, the

respective governments must not exceed their authority to approve the requisitioning of "other types of land."

"Efforts must be made to avoid capital farmland protection zones when infrastructural construction projects such as transportation, water conservation, energy, and communications are to be undertaken; when it is absolutely necessary to requisition capital farmland, approval must be obtained from the provincial people's government. Where approval has been obtained for a construction project, land requisition examination and approval must be conducted in accordance with the provisions of the 'Procedures.'"

3. The second paragraph of Article 29 is amended to:

"Where nonagricultural construction projects are to be built on the land of enterprises and institutions—such as state-owned agricultural, forestry, animal husbandry, and fish farms (plots) and government organs, mass organizations, schools, mines, and factories—or where their land is to be used for other purposes, the opinion of the competent department should be sought, and permission must be obtained according to law from the people's government at and above the county level in the locality where the land is located."

4. The first paragraph of Article 31 is amended to:

"According to development plans of towns (townships) and villages, where cultivated land or state-owned land is to be used in the construction of housing for rural residents, an examination should first be conducted by the town (township) people's government, and the matter must be reported to the people's government of a country level for approval; where the original housing land or other nonarable land is to be used, the town (township) people's government may grant approval."

"Cultivated land within capital farmland protection zones is not allowed to be used for the construction of housing for rural residents."

5. The first paragraph of Article 46 is amended to:

"Administrative disciplinary action laid down in the 'Procedures' shall be decided and executed by the unit to which the party involved belongs or by a higher-level organ. Administrative penalties, the dismantling within a prescribed period of time of structures and other facilities on land used illegally, or the confiscation of the structures and facilities stipulated by the 'Procedures,' shall be decided by the land administrative departments of the people's governments at and above the county level, but they may also be decided and executed by a town (township) people's government according to law. Where the party involved does not agree with the penalty decision, it may, within 15 days after receiving the decision, appeal for reconsideration to an organ one level higher than the organ which made the penalty decision. If the party involved does not agree with the reconsideration decision, it may, within 15 days after receiving the decision, file an appeal with a people's court. The party

involved may, within 15 days after receiving the penalty decision, directly file an appeal with a people's court. If the party involved neither applies for a reconsideration nor files an appeal at the end of 15 days after receiving the penalty decision, and also refuses to carry out the penalty decision, the organ which made the penalty decision shall file an application with a people's court to force the execution of the decision."

These procedures take effect on the day of promulgation.

### Regulations on Jiangsu Transient Population

OW1004213194 Nanjing XINHUA RIBAO in Chinese  
5 Mar 94 p 5

[Jiangsu Provincial Regulations Governing the Transient Population (adopted at the Sixth Meeting of the Standing Committee of the Eighth Jiangsu Provincial People's Congress on 22 February 1994)]

[Text]

#### Chapter I. General Provisions

Article 1. These regulations are formulated to strengthen the administration of the transient population, to protect citizens' lawful rights, and to maintain social order and protect reform, opening up, and the socialist modernization drive in line with the actual situation of this province in accordance with the "Decision on Strengthening the Comprehensive Management of Social Security" of the Standing Committee of the National People's Congress and state laws and regulations related to the administration of household registration.

Article 2. The transient population mentioned in these regulations means those people who have left the location of their resident households and who are living in places within the administration of this province.

Article 3. People's governments at various levels should strengthen their leadership and coordinate with the departments concerned to do a good job in administering the transient population.

The public security organizations are organs in charge of administering the transient population, and the public security detachments are responsible for registering, issuing permits, and other administrative work for transients.

Enterprises, business undertakings, and neighborhood (village) committees should assist public security organizations in the administration of the transient population.

Article 4. The lawful rights of the transient population should be protected by the law. The transients should observe the law and discipline and submit themselves to administration by the departments concerned.



## Chapter II. Registration and Application for Permit

Article 5. People who wish to live in their temporary residence for three or more days should make a report to the departments concerned and be handled according to the following stipulations:

(1) People who are 16 years old or older and who leave the urban areas of a city which has districts under its jurisdiction or leave a county (city), and who intend to assume jobs of various kinds in their temporary residence for more than one month should register at the public security detachment having jurisdiction over their temporary residence and apply for a "temporary residence permit."

(2) People who leave the township and who will live in a different place within the same county (city) should register at the organization, unit, enterprise, business undertaking, or neighborhood (village) committee, which will in turn report the registration to the local public security detachment for the record.

(3) Other transients should report and register at the public security detachment having jurisdiction over the temporary residence or at organizations entrusted by the public security detachment.

Article 6. In making reports and registering for temporary residence, the person should possess his or her own residence identification card (married women of child-bearing age must provide a family planning certificate). A person who is under 16 must have his or her own identification document.

Article 7. People who temporarily live at a work site, trade fair, individual business site, or rented room or house and those who are dispatched by their organization or unit to an office or unit in this province should report to the public security detachment having jurisdiction over their temporary residence for handling.

People who temporarily live at an organization, unit, enterprise, or business undertaking and other transients should report to the public security detachment having jurisdiction over their temporary residence or at an organization entrusted by the public security detachment for handling.

Article 8. People who visit or seek shelter with their relatives or friends, children who are entrusted to the care of others, students who live in other people's house in order to study, people who are being treated for illness, and tourists will be administered in accordance with the "Regulations Governing Household Registration of the People's Republic of China" and will not be issued a "temporary residence permit."

Article 9. Transients who live in a hotel or guesthouse should register in the "registration book for travelers" and be administered according to the related provisions. Those who contract for a room for more than one month

should be administered according to the stipulations of these regulations on the issuance of a temporary residence permit.

Article 10. Personnel undergoing reform and reeducation through labor, who have been released on bail to seek medical treatment, and personnel undergoing reeducation through labor who have taken leave to attend family affairs shall, within 24 hours after their arrival, apply—in person and accompanied by the head of household—for temporary residence registration at the local public security detachment by producing credentials issued by organs in charge of reform and reeducation through labor, and shall return the same before leaving.

Article 11. "Temporary residence permits" are valid documents authorizing the transient population to legally stay in a temporary location.

"Temporary residence permits" shall be valid for one year. Permit holders who need to extend their temporary residence at the expiration of their legalized stay shall apply for an extension at the organ that earlier issued the permit. Each extension shall not exceed one year. Applicants who need to extend their temporary residence after two extensions shall reapply for "temporary residence permits." In the event that a "temporary residence permit" is lost or damaged, the holder shall report this to the issuing organ in a timely manner and apply for a replacement.

Article 12. Temporary residents wishing to change their temporary residence addresses within the urban areas of a city or within a county (city) where they stay temporarily shall apply to the permit-issuing organ for a change in temporary residence registration.

Temporary residents shall deregister their temporary residences and surrender their "temporary residence permits" before leaving a city having districts under its jurisdiction or a county (city).

When a temporary resident dies at a location where he or she stays temporarily, the employing unit, outside contractor, individual industrialist and trader, neighborhood (village) committee, head of household, or anyone having knowledge of his or her death shall report the case to the local public security organ within 24 hours. The public security organ shall revoke the deceased's temporary residence registration after ascertaining the cause of death. Any unnatural death shall be reported immediately to the public security organ so that an on-the-spot investigation can be carried out immediately.

Article 13. Temporary residents shall observe the following provisions:

(1) Abide by the relevant state laws and regulations and the provisions of these regulations, and the administrative rules of local governments and units to which they are attached.

(2) Voluntarily register or deregister their temporary residence registrations, and apply or surrender their "temporary residence permits" within the stipulated period. No one is allowed to falsely claim others' "temporary residence permits," or alien, or transfer, or use an expired "temporary residence permit."

(3) Voluntarily produce, upon request, their "temporary residence permits" to public security or management personnel for inspection.

(4) Refrain from being involved in various criminal and illegal activities, and to voluntarily report or expose criminals or lawbreakers.

Article 14. Applicants for "temporary residence permits" shall pay relevant fees, the criteria and management procedures of which shall be jointly decided by the provincial public security office and commodity price and finance departments.

### Chapter III. Management

Article 15. Based on temporary residents' conditions and the location of houses rented to them, village (town) people's governments and subdistrict offices shall organize relevant units to form management organizations with public participation. They may hire full-time or part-time management personnel to ensure a sound management network.

Article 16. Public security organs shall perform the following duties:

- (1) To speedily and accurately carry out such management tasks as registration and permit issuance according to the law and to the convenience of the masses;
- (2) To check on and supervise relevant departments, units, management organizations, and persons in charge in performing their management duties; to enforce measures, and to train and guide management personnel;
- (3) To investigate and punish temporary residents found to be committing crimes and public security offenses and to handle disputes and other cases involving public order;
- (4) To organize and guide management assistants, public security guards, and unit management personnel in intensifying the inspection of temporary residence registration and "temporary residence permits";
- (5) To assist civil affairs and other departments in persuading jobless personnel found stranded in cities and towns to return home; and
- (6) To compile periodical statistics on temporary residents, upon which relevant departments will rely when policies and plans are to be formulated.

Article 17. Full-time or part-time management personnel of neighborhood (village) committees, hiring units, and outside contractors shall handle temporary residence registration and verification of identification documents

of temporary residents and shall verify the number of temporary residents on a regular basis.

Article 18. Persons in charge of hiring units, outside contractors, and individual business owners shall be responsible for managing temporary residents and shall submit a signed letter of management responsibility to the public security organ to fulfill the following responsibilities:

- (1) Educating temporary residents about the legal system, professional ethics, and safety information on a regular basis;
- (2) Publicizing and implementing laws and regulations governing the management of temporary residents;
- (3) Establishing mass security and defense organizations, implementing various security and defense measures, and inspecting and supervising their units' registration and management of temporary residents;
- (4) Ensuring that no people without identification documents, no people of unknown origin, and no people failing to register for temporary residence and apply for a "temporary residence permit" are hired;
- (5) Promptly mediating and resolving contradictions and disputes and carrying out education and the transformation of lawbreaking personnel;
- (6) Promptly reporting to public security organs changes in the number of temporary residents and in the conditions of their management; and
- (7) Stopping acts of lawbreaking, promptly reporting to public security organs any clues to crimes, and ensuring that no criminals are sheltered and that no venues for criminal activities are provided.

Article 19. Before renting out homes to temporary residents, homeowners shall submit a signed letter of security responsibility to public security organs.

- (1) Homeowners shall report to the local police station purposes of record keeping when renting out homes or changing the use of rental homes;
- (2) Homeowners shall not rent homes to people without identification documents or to people failing to register for temporary residence or failing to apply for a "temporary residence permit"; homeowners are strictly forbidden to permit the cohabitation of a man and woman without proof of marriage;
- (3) Homeowners shall promptly report to public security organs any suspicious articles and clues to crimes and any change of tenants;
- (4) Homeowners shall implement various security and crime-prevention measures; and
- (5) Homeowners shall not harbor criminals or provide venues for criminal activities.

#### Chapter IV Rewards and Punishments

Article 20. The people's government, its relevant departments, or the working units shall commend those who have carried out any one of the following acts to enforce these regulations:

- (1) Outstanding performance in providing management personnel, measures, and systems;
- (2) Notable achievements in carrying out education about the legal system;
- (3) Outstanding performance in preventing, detecting, and stopping crimes and providing clues to help public security organs crack criminal cases;
- (4) Other outstanding performance in managing temporary residents.

Article 21. Authorized departments shall criticize, educate, or mete out administrative disciplinary action against persons directly involved and against persons in charge of hiring units which failed to manage well temporary residents and which caused chaos in public order and which refuse to rectify their mistakes after being advised to do so.

Article 22. Public security organs shall mete out punishment under one of the following circumstances:

- (1) Temporary residents who violate the provisions of the second paragraph of Article 13 of these regulations and who refuse to rectify their mistakes after repeated education shall be given a warning and a fine of no more than 50 yuan;
- (2) Persons in charge of hiring units, outside contractors, and individual businesses who violate the provisions of the fourth paragraph of Article 13 of these regulations and who refuse to rectify their mistakes after education shall be given a fine of 50 yuan for each temporary resident involved;
- (3) Homeowners who refuse to sign a letter of security responsibility in violation of the first, second, third, and fourth paragraphs of Article 19 and who do not rectify their mistakes after education shall be given a warning and a fine of no more than 100 yuan;
- (4) Homeowners who violate the provisions of the seventh paragraph of Article 13 and the fifth paragraph of Article 19 shall be criticized, educated, and warned based on the circumstances of the violation; persons in charge of hiring units, individual business owners, and homeowners shall be fined no more than 2,000 yuan. Criminal investigations shall be conducted in accordance with the law when their acts constitute a crime.

Article 23. Where relevant provisions on punishment differ between these regulations and other laws and regulations, other laws and regulations shall be followed.

Receipts from fines shall be obtained from the finance department of the corresponding level; all fines shall be forwarded to the treasury of the corresponding level without exception.

Article 24. Parties who do not agree with the administrative penalty taken by public security organ in accordance with these regulations may request a review by the public security organ of the next higher level within 15 days upon receipt of the letter of penalty. The reviewing organ shall make a review decision within two months upon receipt of the review request.

Parties who do not agree with the review decision of public security organ of the next higher level may bring litigation to the people's court within 15 days upon receipt of the letter of penalty.

Article 25. Public security organ and personnel in charge of managing temporary residents who procrastinate in processing temporary residents' registration and in issuing "temporary residence permits," who deliberately make things difficult, or who resort to fraud for personal gain, shall be criticized, educated, or given administrative disciplinary action and a penalty based on the circumstances of their action. Criminal investigations shall be carried out in accordance with the law when their actions constitute a crime.

Citizens have the right to report and file charges against public security organs and their personnel responsible for managing temporary residents.

#### Chapter V. Attachment

Article 26. A "temporary residence permit" shall be printed by the provincial public security department. Other regulatory letters, tables, and booklets shall have uniform designs to be formulated by the provincial public security department.

Article 27. These regulations shall take effect upon their promulgation.

Where regulations governing the management of temporary residents which exist prior to the promulgation of these regulations contradict these regulations, these regulations shall be followed.

#### Jiangxi Penalties Price Regulation Breaches

HEINWATER/BEIJING ZHONGGALIO MINWEN SHI  
in English 1242 GWIT 8 Apr 94

[Text] Nanchang, April 8 (CNSS)—Inspection organs throughout Jiangxi Province carrying out inspections of commodity prices there recently have discovered that some commercial departments have been breaching provisions regarding prices.



The inspections are being carried out between the end of March and June and involve more than 5,000 enterprises, individually-owned business households and certain administrative departments in breach of regulations and 444 of them have been fined a total of RMB 170 million.

An emphasis was placed on the inspection of prices for daily necessities and services including rail and water transport, fertilizers and agricultural chemicals and plastic film for agricultural purposes.

A commercial centre, "New Ground", was reportedly fined with 329 categories of commodities there failing to display their prices and 1,136 categories of commodities failing to mark their prices in line with the relevant provisions. The centre was given ten days in which to rectify this situation.

### Shandong Secretary Visits Industrial University

SK1004045394 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 9 Apr 94

[Text] At a forum with representatives of teachers and students from Shandong Industrial University held on the morning of 9 April, Jiang Chunyun, secretary of the provincial party committee, stressed: The institutions of higher learning across the province should work closely line with the overall situation of grasping favorable opportunities, deepening reform, expanding the scale of opening up, promoting development, and maintaining stability to fulfill the three tasks, such as reform, development, and stability; to catch up with the pace of the times; to meet with the requirements as set forth by the new situation and the new tasks; and to make new, greater contributions to the building of the socialist modernization.

Together with Han Xikai, deputy secretary of the provincial party committee; Zhang Ruifeng, vice governor of the provincial government; and Cui Weilin, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference and chairman of the provincial education commission, Comrade Jiang Chunyun arrived at Shandong Industrial University at 0830. They first watched the exhibition on the achievements made during the monthly scientific and technological campaign organized by the Communist Youth League committee of the university as well as the achievements made in the first applied scientific and technological invention contest, and fully affirmed the achievements. Then, they went to the [words indistinct] laboratory and heard the introduction of the situation. At the mess hall of the university, the comrades, including Jiang Chunyun, tried to understand, in detail, the situation relating to the varieties of dishes and the prices of the food. Comrade Jiang Chunyun visited two student dormitories and the houses of two teachers to understand their living and housing conditions. After that, at the sports center of the university, the comrades, including Jiang Chunyun, held a forum with representatives of teachers and students of the university.

After hearing the reports by the university leaders and the speeches by some teachers and students, on behalf of the provincial party committee and the provincial government, Comrade Jiang Chunyun set forth five requirements for how to improve the work of the institutions of higher learning.

First, the institutions of higher learning should cultivate more skilled persons for the development of the socialist market economy. To suit the demands of the socialist market economy, universities should cultivate more qualified skilled persons in a rapid manner so as to satisfy the needs of the socialist modernization.

Second, institutions of higher learning should bring into full play the advantages of wisdom and intelligence so as to make greater contributions to Shandong's economic and social development. We should positively explore ways for linking science and technology with the economy, accelerate the transformation of scientific and technological findings, and make greater contributions to comprehensively implementing the strategy of relying on science and education to rejuvenate Shandong and the provincial strategic goals for economic development.

Third, the deepening of reform has injected new vitality into the higher education. The reform of the higher educational cause should be conducive to the adherence to the school-running orientation of socialism, the mobilization of the broad masses of teaching and administrative staff members' working enthusiasm, the cultivation of increasingly more skilled persons, the stability of the campus order, and the self-development of institutions of higher learning. According to the requirements of the socialist market economy, we should further readjust the structure of specialized courses, optimize teaching contents and teaching methods, pay attention to the students' quality and ability, and make the students better suit the social demands.

Fourth, we should show concern for the working, studying, and living conditions of the teachers, the students, and the administrative staff members; and realistically help solve their practical difficulties and problems. The party committees and governments at various levels and relevant departments should pay attention to helping schools eliminate difficulties and do more concrete and good deeds for the teachers and students. Appropriate jobs should be arranged for the students graduated this year so that they will bring their talents into full play. The school should issue certificates of graduation to the students who are not covered in the recruitment quotas so long as they pass the examinations. The province will allocate special funds to subsidize the small number of the students with living difficulties due to the price hikes.

Fifth, we should adopt realistic and effective measures to maintain the stability of institutions of higher learning. The departments concerned and all social fronts should proceed from the overall situation of social stability, carry out the system of responsibility for stability, and

ensure the university should have a stable social environment. We should guide the broad masses of teachers, students, and administrative staff members to take the overall situation into consideration, observe discipline, and concentrate energy on their teaching and studying. The broad masses of teachers and students should consciously resist the influence of bourgeois liberation and corrosive ideas; firmly foster accurate ideals, convictions, outlook on life, and outlook on value; and be persons of the new generation with ideals, morality, education, and a sense of discipline.

Jiang Chunyun finally urged that the broad masses of teachers and students of the university should work and study hard; build the university into a center especially training senior engineers and technicians, a high-tech research center, and a new high-tech development center; and make greater contributions to Shandong's economic development.

#### Shandong Holds Propaganda Work Conference

SK0904010794 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 7 Apr 94

[Text] At the provincial propaganda and ideological work conference held on 7 April, Jiang Chunyun, secretary of the provincial party committee, stressed that party organizations at all levels and party and government leading cadres should fully understand the important status and role of propaganda and ideological work from the high plane of the strategic overall situation of building socialism with Chinese characteristics and the historical mission of promoting modernization drive in Shandong, enhance the sense of mission and responsibility, seize the favorable opportunity to strengthen the degree of work, and enhance propaganda and ideological work to a level that meets the demands of the new situation and new tasks.

This propaganda and ideological work conference held in Jinan is a very important one. In line with Shandong's reality, this conference will deeply study and implement the guidelines of the national propaganda and ideological work conference, sum up the propaganda and ideological work experience we have gained since reform and opening up, study and devise plans for strengthening and improving propaganda and ideological work tasks at present and for some time to come, and mobilize, stimulate, unite with, and lead the broad masses of cadres across the province to win a new victory in reform, opening up, and modernization drive.

Jiang Chunyun, secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; Han Xikai, deputy secretary of the provincial party committee; and Dong Fengji, member of the standing committee of the provincial party committee and director of the propaganda department, attended the conference.

The conference was presided over by Comrade Han Xikai. Comrade Jiang Chunyun gave a report at the

conference, entitled: Base Ourselves on the Overall Situation, Serve the Central Task, and Enhance our Province's Propaganda and Ideological Work to a New Height.

Jiang Chunyun said: Since the third plenary session of the 11th CPC Central Committee, particularly during recent years, the general situation on our province's propaganda and ideological front has been good and the achievements have been remarkable. Today's good situation in the whole province's reform and development must not be separated from propaganda and ideological work because comrades on the provincial propaganda and ideological front have made important contributions in this aspect. The provincial party committee are satisfied with the propaganda and ideological work, and have fully affirmed the achievements.

Jiang Chunyun pointed out: The more we conduct reform and opening up, the more we should strengthen propaganda and ideological work, and the more we develop the market economy, the more we should strengthen spiritual civilization. At present, China is in the crucial period of promoting socialist modernization. In safeguarding this year's overall situation of the whole party's and the whole country's work defined by the party Central Committee and implementing the three major affairs of reform, development, and stability, the propaganda and ideological front has to shoulder a particularly important mission and responsibility. It has to give play to its strong and forceful guaranteeing role and its media supporting role. He said: It is necessary to submit ourselves to and serve the overall situation of the work of the whole party and the whole country and to prominently grasp four major tasks well:

1. We should persist in regarding Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as the fundamental guiding principle of propaganda and ideological work and the study of volume no.3 of the Selected Works of Deng Xiaoping as the fundamental ideology, and grasp them firmly and successfully. The study must be carried out at all levels and be specific. It is necessary to attend to the study work of leading cadres at all levels, particularly the leading bodies at and above the county level, and to rotationally train cadres at above the county and section levels within this year.

2. We should uphold the party's basic line and do a good job in media guidance. In press and media propaganda, we must resolutely implement the party's basic line which takes economic construction as the central task and upholds the four cardinal principles, reform, and opening up, adhere to the principles of unity, stability, and boosting of enthusiasm, and of conducting propaganda with positive examples, and do a good job in guiding, protecting, and giving play to the enthusiasm of the masses of people and of all sectors, and inspire, encourage, and guide the masses of people to display their talent and make contributions to reform, opening up, and modernization.

3. We should strengthen and improve ideological and educational work with the education on patriotism, collectivism, and socialism as the main subjects, actively promote the 64-character pioneering spirit of the new period advocated by Comrade Jiang Zemin, lead the people, particularly the broad masses of young people, to cultivate a correct ideal, conviction, and the concepts on value and on outlook on life, advocate in the whole society the socialist habits of giving consideration to the overall situation, making selfless dedication, promoting unity and mutual help, and observing discipline and law, actively publicize the heroic deeds and lofty character of the advanced persons who are ready to take up the cudgels for a just cause and who sacrifice themselves to save the others, and promote the mass activities on learning from Lei Feng Xu Honggang and the advanced persons to become a common practice.

4. We should place the project on creating good works in the lead, actively invigorate the socialist literature and arts, conscientiously implement the orientation of serving the people and socialism and the principle of letting a hundred flowers blossom and a hundred schools of thought contend, actively advocate all ideologies and spirit that are conducive to promoting patriotism, collectivism, and socialism, promoting reform, opening up, and modernization, and promoting national unity, social progress, and a happy life on the people, and strenuously advocate the ideologies and spirit of striving for a good life through honest and hard work.

Jiang Chunyun stressed: We should uphold the basic experience which we have gained since reform and opening up and actively explore new ideas for conducting propaganda and ideological work. We must carry out propaganda and ideological work in close connection with the central task of economic construction, give full play to its role in emancipating the mind and seeking truth from facts, regard the training of persons of a new socialist type with ideals, ethics, culture, and a sense of discipline as the basic task, uphold the basic channel of respecting, guiding, and inducing the people to participate in this work, give play to the integrated advantages, and form a socialized large-scale propaganda force.

Jiang Chunyun emphatically pointed out: Propaganda and ideological work has a bearing on the overall situation of building the socialist cause with Chinese characteristics. Doing a good job in propaganda and ideological work under the new period is a major political task of the whole party. Party committees at all levels must participate in propaganda and ideological work, realistically strengthen and improve leadership over it, and enable it to play a more important role in reform, opening up, and modernization. It is necessary to unswervingly implement the principle of taking a two-handed approach and be tough with both, place propaganda and ideological work high on the agenda, take active and reliable steps to promote reform in propaganda and cultural work, conscientiously implement the cultural and economic policies defined by the central authorities, increase input in

propaganda and cultural undertakings, and exert strenuous efforts to build the propaganda and ideological work contingents.

Comrade Zhao Zhihao also addressed the conference. He gave a briefing on the whole province's economic and reform situations. Zhao Zhihao pointed out: It is necessary to successfully conduct propaganda and ideological work in close connection with the central task of economic construction. The priorities and difficulties in economic work are also the priorities of propaganda and ideological work. This year, on the basis of implementing the 20-character principle of the central authorities, we should properly handle the relations of reform, development, and stability, do a good job propaganda and ideological work, uphold the correct media guidance, improve work quality, adhere to the materialist dialectics, and pay great attention to the propaganda results.

Zhao Zhihao called on governments at all levels and all departments to regard their attention to propaganda and ideological work as their bound duties, and hoped that comrades on the propaganda and ideological front will clearly recognize their mission, make unremitting efforts to make their work a greater success, and make greater contributions to Shandong's reform, opening up, and modernization.

Responsible comrades of the party committees and directors of the propaganda departments of various cities and prefectures and of large enterprises and institutions of higher learning in Jinan, directors of propaganda departments of various counties, cities, and districts, and responsible comrades of provincial-level departments, committees, and bureaus in charge of propaganda and ideological work attended the conference. Comrades attending the provincial conference on cultural, radio and television, press and publication, and external propaganda work, and cadres at and above the section level of various units under the provincial-level propaganda departments also attended the conference.

### **Shandong Uses World Bank Loan To Develop Economy**

*OW0904123994 Beijing XINHUA in English  
1027 GMT 9 Apr 94*

[Text] Jinan, April 9 (XINHUA)—Loans provided by the World Bank have gone a long way to promote the economic development, especially the development of infrastructure facilities in Shandong, a key economic province in East China.

The province is one the earliest to use the World Bank loans after 1980 when the bank resumed its operations in China.

By the end of 1993, the province had used 26 batches of loans totalling 824 million U.S. dollars and more than 40 percent of the loans have been used in energy development, 30 percent in agriculture and the rest in transportation, industry and social sectors.



Agriculture is the main area using the World Bank loan. The province has built and developed six farm projects with a total investment of 2.5 billion yuan, including loans totalling 262 million U.S. dollars from the World Bank.

These projects, spreading in 64 counties and cities, cover construction of farm and irrigation facilities, animal husbandry, processing of farm and sideline products, development of coastal lower-lying areas and the breeding of aquatic products.

So far four projects have been completed and the rest are proceeding smoothly.

The first World Bank loan project—the North China plain agricultural project—began in 1982 and was completed in 1987.

Costing 198 million yuan including 29.6 million U.S. dollars in loan, the project involved the harnessing of river courses and the building of irrigation facilities.

As a result, the irrigation areas have been expanded from 51,000 hectares to 80,700 hectares, accounting for 93 percent of the total cultivated areas; 33,000 hectares out of the 43,000 hectares of the saline-alkali areas have been ameliorated; and 9,300 hectares of waste land reclaimed. The tree coverage rate has risen from 6.2 percent to 16.3 percent.

Another World Bank loan project is the comprehensive agricultural development in the province.

The province has completed investment of 1.014 billion yuan, 95 percent of the planned amount and transformed 187,000 hectares of lower-yield farmland and developed lower-lying areas to raise aquatic products.

The social development projects using the World Bank loan include improvement of medical services, training of medical personnel, development of preventive medicine, the improvement of school conditions, teaching facilities and laboratories, totalling nine, with a total World Bank loans running up to 43.53 million U.S. dollars.

Two forestry projects and five industrial projects have also yielded satisfactory results.

#### Shanghai Foreign Exchange Trading Center Opens

HK0904083494 Beijing ZHONGGUO XINWEN SHE  
in English 0602 GMT 9 Apr 94

[Text] Shanghai, April 9 (CNS)—With the promulgation of the Provisional Regulations on Management over Settlement, Sales and Payment of Foreign Exchange worked out by the People's Bank of China, the Shanghai foreign exchange trading centre went operation on April 4, indicating reform of the foreign exchange management system in the country was proceeding at a profound level.

The centre's headquarters is located in Shanghai with its trading business already connected with those in Beijing, Tianjin, Shenzhen, Hangzhou, Chengdu and Xiamen and by the end of June this year, such business will expand to 18 main cities in the country. The centre is a non-profit-making organ, practicing a membership system with its members coming from banks entitled to do foreign exchange business, some non-bank financial institutions and some foreign-funded banks. They can make their deals both at the Shanghai centre and at other cities' exchanges. Its trading at present is only available for U.S. dollars and HK [Hong Kong] dollars and its opening hours are from 9:00 to 11:00 am from Monday to Friday each week. The People's Bank of China will, when necessary, intervene in the foreign exchange market in order to regulate the supply and demand of such currencies and push down trading prices.

In the first three days after the centre went into operation, trading prices saw little fluctuation and the trading business there was booming. On April 6, trading of U.S. dollars against renminbi was basically kept at between 8.69 and 8.70 with the daily total transaction value put at over U.S.\$100 million while trading between the HK dollar and the renminbi was maintained at between 1.12 and 1.3 with a daily total transaction value of HK\$10.35 million.

#### Shanghai Stock Exchange Uses Latest Technology

OW0904095094 Beijing XINHUA in English  
0833 GMT 9 Apr 94

[Text] Shanghai, April 9 (XINHUA)—The Shanghai Stock Exchange in this largest economic center of China has mounted a sophisticated operating system that combines computers, satellite telecommunications and other modern high-tech means.

The exchange began its business with a super micro-computer network soon after its founding in 1990.

By the end of 1992, the exchange had replaced all its computer terminals with HP-900 series of 827-type computers, which can handle 1,800 transactions per second as against six by the old system.

The Shanghai Stock Exchange has continuously improved its distance telecommunications system.

Last year the exchange invested about eight million U.S. dollars in laying a fiber optic cable which is the world's most advanced in the world in terms of technology.

"The use of the sophisticated technology has doubled and redoubled its handling capacities," an official in charge of the exchange said.

At present, the exchange has more than 500 members as against 25 in 1990. The number of registered investors has risen from 25,000 to over five million, and the daily transactions jumped from 105,000 yuan in 1990 to three million yuan in 1991, 17.5 million yuan in 1992, and about 900 million yuan last year.

The application of modern science and technology has created the conditions to set up a unified national stock exchange, according to the official.

So far the Shanghai Stock Exchange has linked its computer network with that of stock exchanges in six cities including Fuzhou, capital of Southeast China's Fujian Province, Shenyang, capital of Liaoning Province in Northeast China, and Haikou, capital of Hainan Province in South China.

"This has made it convenient for local stock investors, and paved the way for establishing a national securities exchange," the official noted.

With an advanced operational system, the Shanghai Stock Exchange has displayed its due role in selling the state treasury bonds.

The exchange contracted for 75 billion yuan of state treasury bonds and within 12 days, it sold 15 billion.

It was estimated that the Shanghai Stock Exchange has helped the state reduce the cost of issuing treasury bonds by 700 million yuan.

The Shanghai Stock Exchange plans to purchase a special purpose satellite in the near future in order to elevate its operations to a higher plane.

#### Shanghai Companies Open Businesses Overseas

OW0904120494 Beijing XINHUA in English  
0927 GMT 9 Apr 94

[Text] Shanghai, April 9 (XINHUA)—The Shanghai Overseas Company is helping local companies open businesses in other countries and regions.

An official of the company said that his company signed earlier this year an agreement with the Shanghai Traditional Chinese and Western Medicines Co. Ltd. to jointly establish a pharmaceutical company in Singapore.

It also signed agreements with the Shanghai Aquatic Products Group, the Shanghai Marine Shipping Group and the Shanghai Nonferrous Metals Company to launch eight new firms in Britain, Germany, Singapore and the United States, the official said.

He said that these overseas firms will handle futures trading, provide marine shipping services or open supermarkets.

The company has decided to launch a group company later this year so as to make better use of its marketing network overseas, managerial expertise and market information, he said.

To date, local businesses have opened 420 firms in 60 countries and regions with the company's help, he said, adding that most of these businesses are doing well.

For example, a firm opened by the Shanghai Machine Tool Plant in the United States has set up 20 outlets to market Chinese-built machine tools to 100 American customers.

The official said that his company will also help overseas firms expand into multi-national companies combining production with trade.

The company has decided to set up such a group company in Western Europe, and new subsidiaries in Singapore, the Republic of Korea, Africa and Southeast Asia later this year, he said.

The Shanghai municipal authorities have decided to adopt internationally accepted practices in managing overseas firms launched by local enterprises, he said.

#### Shanghai 1st Quarter Industrial Output Reported

OW0904074094 Beijing XINHUA in English  
0622 GMT 9 Apr 94

[Text] Shanghai, April 9 (XINHUA)—The industrial output value of this China's leading industrial center amounted to 71.36 billion yuan in the first quarter of this year, up 13.9 percent over the same last year period.

Economists here said that the output rose steadily from 794 million yuan per day in January to 823 million yuan per day in February and 889 million yuan per day last month.

The products' sales rate went up from 90.87 percent in the first month to 95.49 percent in the second month and 96.01 percent in the third month.

The first three months saw a steady rise in production of export-oriented goods and products that have a ready market.

According to preliminary statistics, the production output of cars in the January-March period was up by 15.2 percent over the same period of last year, digital program-controlled telephone exchanges by 330 percent, facsimile printers by 700 percent, power generating units by 111 percent, video recorders by 180 percent, microwave stoves by 190 percent, hi-fi sound systems by 190 percent, color televisions by 60.6 percent, air-conditioners by 66.6 percent, refrigerators by 42.9 percent and water heaters by 41.2 percent.

Shanghai approved the establishment of 656 foreign-funded industrial projects involving a contractual foreign investment of 683 million yuan in the first three months of this year. Negotiation is under way for a number of projects each with an investment of at least 10 million U.S. dollars.

### Shanghai's Economy Grows Steadily in 1st Quarter

OW0904134594 Beijing XINHUA in English  
1326 GMT 9 Apr 94

[Text] Shanghai, March 9 (XINHUA)—East China's Shanghai has achieved steady economic growth in the first quarter this year, providing great momentum for its future development.

This was recently stated by Cheng Bulin, director of the Statistics Bureau of the Shanghai Municipal Government.

Statistics show that the value of goods and service produced in Shanghai during the first quarter totalled 42 billion yuan (about five billion U.S. dollars according to current exchange rates) with a growth of 13.1 percent over the same period last year calculated in terms of comparable prices.

The Pudong New Area has continued its high development speed with all of its economic quotas clearly higher than the city's average.

As the pillar of the local economy, Shanghai's industry has seen overall sales topping 81 billion yuan and the rate of sales against production reaching 94 percent during the period.

Cheng Bulin also said that local exports, once the burden of Shanghai's economic development, have made a fresh start this year with the export trade volume soaring to 1.7 billion U.S. dollars worth, a rise of 22.3 percent over the same period last year.

The scale of foreign investment and the fields involved in it in Shanghai have both been expanded. Meanwhile, more overseas capital has poured into industrial and high-tech projects.

State investment in fixed assets all over the city during the last three months was 7 billion yuan, a growth of 60 percent over the same period in 1993. Major infrastructural projects are going smoothly.

Price-control measures implemented by the municipal government has effectively checked inflation and made Shanghai's margin of increase of prices one of the lowest in the country's 35 large and medium-sized cities.

Sound development of the local economy at the beginning of this year can be largely attributed to the firm foundation laid during economic flourishing in recent years and high demand for local investment.

According to Cheng Bulin, deepening of reform in fields including finance, banking, housing and social insurance is expected to further invigorate the local economy.

But Shanghai is also facing problems such as scarcity of floating funds, high prices of some key raw materials, increasing of loss-making enterprises and marketing snags with certain consumer products, the director said.

### Shanghai Authorities Move Against Unfair Pricing

OW1004125894 Beijing XINHUA Domestic Service in Chinese 0958 GMT 2 Apr 94

[Article by XINHUA reporter Li Zhenghong (0632 2973 1347) and correspondent Li Xuewu (2621 1331 2976): "Shanghai Acts 'Against Staggering Profits'"]

[Text] Shanghai, 2 Apr (XINHUA)—On 1 April, the day that Shanghai's "Interim Provisions Against Price Fraud and Staggering Profits" became effective, the municipal commodity price department and industry and commerce administration inspected a number of major restaurants, cafes, amusement centers, and emporiums in the commercial district.

In the morning, when inspection personnel visited a garment store inside an exquisite commercial building, they noticed a large sign reading "40 percent discount on all goods at this counter" on some counters. However, prices marked on the commodities gave no further explanation. Take, for example, a suit priced for 800 yuan. People were confused as to whether or not the price included the 40 percent discount. As a matter of fact, the discount was given on certain commodities only.

Hence, inspection personnel decided that such a "misguided price mark" constituted price fraud. In accordance with the provisions "against fraud and staggering profits," selling commodities with false bargain, discount, and minimum prices is price fraud.

At noon, at a Sino-foreign cooperative fast food restaurant, inspection personnel saw the menu's price for Italian spaghetti as 40 yuan; black pepper pork chops, 40 yuan; and seafood salad, 30 yuan; and one line of small words at the bottom saying: served with soup, bread, salad, and coffee or tea. A customer complained that because of the vague connotation of the prices, he once spent over 100 yuan in ordering three main courses at the restaurant. After some inquiry, it was learned that the prices were those for a complete dinner. In other words, each main course should be served with soup, drink, and other side dishes. Therefore, a customer who mistakenly ordered more than one main course would not be able to finish the dinner. Under such circumstances, the service personnel would leave the mistake uncorrected and make the best of it by serving the side dishes for only one main course. Law enforcement officials believed that such equivocal practices of pricing by the management in fact encroached upon consumer interests and, from a different perspective, was aimed at reaping staggering profits.

At some restaurants and cafes catering to average consumers, the prices of drinks were generally found to be exorbitant. A bottle of high-grade Shaoxing rice wine was selling for 30 yuan; Dynasty white grape wine, for 80 yuan; and Great Wall white grape wine, for 80 yuan; whereas their prime costs were 4.2, 22, and 21 yuan, respectively.



There were also pricing irregularities such as "Maotai [spirit], 400 yuan." Was the 400 yuan the price for a bottle or glass? How many ounces?

The commodity price department and industry and commerce administration have already instructed on-the-spot those having violated the provisions on pricing to correct them or to remedy them in a specified time limit; and have meted out harsh punishments depending on circumstances. In accordance with the provisions "against price fraud and staggering profits," lawbreakers were ordered to refund their illegitimate incomes to consumers and were given a fine from one to 10 times the illegitimate income.

Shanghai has implemented these provisions with a view to standardizing pricing activities following market deregulation. These detailed and supplementary rules of the relevant state regulations reflect Shanghai's tough approach to supervise pricing according to the law and to perfect the legislation of pricing. Nevertheless, an authoritative source has emphasized that the implementation of the provisions is by no means tantamount to returning the previous practice of direct price controls. He has urged consumers in general to conscientiously apply the provisions to protect their interests. It is understood that very few complaints against activities of "price fraud and staggering profits" in markets were filed yesterday.

#### **Shanghai Enforces Laws Against Commercial Fraud**

*OW0804184594 Shanghai People's Radio Network in Mandarin 2300 GMT 31 Mar 94*

[From the "Morning News" program]

[Text] The enforcement of the Shanghai Municipal Price Bureau's interim provisions against price cheating and schemes to reap exorbitant profits began throughout the municipality on 1 April. Acts of price cheating and acts of seeking exorbitant profits are clearly defined by the provisions.

The following practices—setting false prices by passing inferior goods as high-quality ones, cheating on measurements or weights, mixing up specifications, and lowering quality; cheating buyers and promoting sales through such means as selling at false preferential or discount prices; using false price tags that do not match the quality of products; cheating buyers by providing false market price information; and selling products through the application of force or buying products through extortion—are acts of price cheating and acts of seeking exorbitant profits.

Henceforth, the price administrative departments will take action to punish these acts in accordance with complaints filed by the masses.

### **Central-South Region**

#### **Henan Higher People's Court President on Work**

*HK1004080794 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 29 Mar 94*

[Text] Zheng Zengmao, provincial party committee standing committee member and higher people's court president, delivered a speech at a provincial court work conference that wound up yesterday.

Zheng Zengmao emphatically stated in his speech: The people's courts at all levels across the province should strengthen their determination to tackle difficult cases, strictly enforce the law, and resolutely implement court decisions so as to safeguard social order and maintain political stability.

Zheng Zengmao noted: Over the past year, by negotiating all sorts of difficulties, courts at all levels across the province have placed on file for investigation and prosecution a total of more than 52,000 cases involving more than 529 million yuan. Moreover, courts at all levels across the province have also assisted courts of other provinces and regions in handling more than 2,600 cases and directly handled a total of 685 cases on behalf of those courts, thus pushing ahead with Henan's economic growth and safeguarding Henan's image.

Zheng Zengmao pointed out: There are still more than 15,000 court decisions awaiting implementation across the province at the moment. The slow pace of implementing court decisions has hindered courts at all levels across the province from serving economic construction and safeguarding social stability. In view of this situation, courts at all levels across the province should actively take measures to improve and strengthen court work and resolutely implement court decisions regarding anyone irrespective of his position, rank, or personal influence.

#### **State Council Price Inspection Team in Hubei**

*HK0904075594 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 31 Mar 94*

[Text] A few days ago, the State Council's commodity price inspection team arrived in Hubei to inspect the province's implementation of the national commodity price inspection effort and to keep abreast of market price developments. Since the State Council held a telephone conference on launching national commodity price inspection, the province's commodity price inspection work has been carried out intensely and in an orderly manner. Some cases of wanton price hikes and wanton collection of fees have been discovered, and 2,803 cases of price discipline violations have been handled. These cases involved funds totalling 36 million yuan, and funds derived from economic sanctions imposed on the cases total approximately 26 million yuan. Hubei Province's present commodity price situation is still quite grim. The provincial government has

taken and is taking measures to regulate and control the situation. The measures included: On behalf of the provincial government, we will promulgate the provisional regulations of Hubei on combating exorbitant profits, and establish a grain, coal, and oil reserve system, a system of risk funds, and a system of regulatory funds for major foods such as meat, eggs, poultry, vegetables, and sugar and agricultural means of production.

The inspection team of the State Council will go to the rural areas, enterprises, and marketplaces of Wuhan, Jingzhou, Shashi, Yichang, and other localities to gain on-the-spot information about the prices of grain, coal, and oil, and of agricultural means of production, and to learn about the peasants' burdens, general market prices, and the prices of energy and raw and semifinished materials.

#### **Guangdong Governor on Use of Foreign Capital**

HK0904052194 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 31 Mar 94

[Text] At a provincial symposium on the utilization of foreign capital, which ended yesterday afternoon, Governor Zhu Senlin urged participants to seize opportunities, meet challenges, set a clear aim, and uplift the province's utilization of foreign capital to a new level. The governor pointed out: In utilizing foreign capital, our province should work hard to attain three goals this year: 1. We should actually utilize \$10 billion in foreign capital and accelerate the transformation of old enterprises and the upgrading of products by using foreign capital. 2. We should continue to focus the utilization of foreign capital on infrastructure, such as the energy industry, communications, and telecommunications; on basic industries, such as the petroleum, chemical, iron and steel, electronic, and auto industries; on the development of agriculture which earns foreign exchange; and on the construction of poverty-stricken mountain areas. 3. Through various kinds of investment-attracting activities, we should attract more internationally well-known big enterprises and financial groups to invest in Guangdong, while continuing to do a good job in cooperating with medium-sized and small overseas enterprises.

#### **Zhuhai To Transfer Enterprise Stock Rights**

HK0804152294 Beijing ZHONGGUO XINWEN SHE in English 1241 GMT 8 Apr 94

[Text] Zhuhai, April 8 (CNS)—Zhuhai, a special economic zone city in Guangdong Province, plans to transfer a batch of well-known enterprises' shares rights worth at least RMB [renminbi] 1 billion to foreign businessmen, a move being seen as an important measure for collecting funds for construction in the city.

An official from the municipal government said that the enterprises with their shares rights transferred to foreign businessmen would be pillar ones in the city. They are now making good economic profits and their products

already enjoy a broad market. The Dongda (Holding) Company, for example, has over one million square metres of land and is producing a range of famous daily-use chemicals and electrical and machinery products.

The news of the transferring of enterprise shares rights has aroused the strong interest of businessmen overseas with three enterprises' shares rights being sold to businessmen from foreign countries including Singapore and it is expected that another ten enterprises' shares rights will be purchased by foreigners within this year.

#### **Guangxi Regional Chairman on Anti-Smuggling Work**

HK1104053494 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 31 Mar 94

[Text] According to a regional meeting held today to commend those who had made contributions to anti-smuggling work, success has been achieved in rounding off a stage of the anti-smuggling operation which the region launched in 1992 on instruction from the party's central authorities and the State Council. Now large-scale maritime smuggling activities have been basically quelled in the region. Over the past two years, a total of 236 smuggling cases were cracked, in which more than 500 million yuan worth of smuggled goods were seized.

The purpose of this commendation meeting sponsored by the regional leading group for anti-smuggling operation is to sum up experience gained from anti-smuggling work in this region over the past two years, to commend those who performed outstandingly, and to further forward the anti-smuggling struggle in the region. Commended at the meeting were the Beihai customs office and 17 other outstanding collectives, as well as Peng Zhonglian and 46 other outstanding individuals.

Cheng Kejie, chairman of the regional government; Ding Tingmo, deputy secretary of the regional party committee; Yuan Zhengzhong and Liu Hong, vice chairmen of the regional government; as well as the person-in-charge of the National Anti-Smuggling Office, attended and addressed the meeting.

Chairman Cheng Kejie noted: Now the situation is excellent in reform and opening up in our region, and the region is enjoying social stability. In order to keep this trend, we must continue to do a good job in anti-smuggling work. It is necessary to uphold a resolute attitude in the anti-smuggling struggle, to make sure that investigations into major and important cases are precise, and to work together to push ahead the anti-smuggling struggle in this region by encouraging the public to report smuggling cases and by counting on the close support from departments concerned.

In their speeches, Deputy Secretary Ding Tingmo and Vice Chairman Liu Hong expressed full appreciation of the achievements made by the region in the anti-smuggling struggle. They stressed that leading people at

all levels must have a thorough understanding of the role of the anti-smuggling struggle as an important, long-term, and complicated task, place anti-smuggling work on the order of the day, and strengthen leadership over the task. In this connection, it is necessary to launch and step up a comprehensive anti-smuggling operation by administrative, legal, economic, and educational means, to intensify operations, and to speed up investigations in major and important cases. Law-enforcing departments, such as the customs, border defense, and industrial and commercial administration sectors, must give full play to their respective functions, cooperate more closely with each other, and join forces in the anti-smuggling operation.

According to a plan mapped out by the National Leading Group Against Smuggling, an operation will be launched in the near future to examine the enforcement of anti-smuggling laws. The anti-smuggling sector and other related judicial departments in the region must play an active part in and give support to this operation.

During the meeting, Vice Chairman Yuan Zhengzhong briefed the participants on the progress the region has been making in reform and opening up, and on the development of various fields in the region.

Also present at the meeting were principal leading people of prefectures, cities, and counties along the border and the coast of the region, and people-in-charge of member units of the regional anti-smuggling leading group, the Liuzhou railway bureau, and the departments concerned directly under the regional authorities.

### Southwest Region

#### Yunnan Governor Addresses Rural Work Meeting

HK0804140494 Beijing ZHONGGUO XINWEN SHE  
in English 0845 GMT 8 Apr 94

[Text] Kunming, April 8 (CNS)—Livestock husbandry which has been showing persistent growth in the past 15 years is set to become another new rising industry after tobacco, sugar, tea and rubber, according to a rural work meeting being held here. The output value of this business will reach over RMB [renminbi] 10 billion by the year 2000.

Statistics indicate that Yunnan possesses rich meadow land with an area making up more than one-third of the total in the province for fodder production, offering sound conditions for the development of animal husbandry. The business has in recent years developed its professionalism, commercialization and large-scale production. There are now 31 counties specializing in pig breeding, three counties responsible for the raising of poultry, six counties for sheep, two counties for milking cows, five counties for goats and six counties for cattle for meat. The gross production of meat in 1993 was put at 1.02 million tonnes, 3.3 times the amount in 1980, the total amount of milk produced 102 200 tonnes or 6.7

times the amount in 1980 and the gross production of eggs 51 700 tonnes or 30 percent up over 1992. The output value of animal husbandry reached RMB 6.4 billion.

Speaking at the meeting, Governor He Zhiqiang said that the quantity and development of the industry in the province was not in line with the abundant resources available and exploitation of sugar, tea and rubber have remained at an early stage. Because of this, Yunnan has to speed up implementation of the industrial policy in the coming years with an average annual growth rate for livestock husbandry of six percent.

With adjustment of the agricultural business pattern to be undertaken in the province, exploitation of new industry as the province's strong point will include aquatic products, forestry products, fruits, dried fruits, oil-bearing plants, vegetables, flowers, mulberry leaves for silkworms, spices and herbal plants, with each of them showing an output value of between RMB 1 billion and over RMB 10 billion.

#### Yunnan Secretary Stresses Anti-Corruption Work

HK1104042894 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 31 Mar 94

[Text] Yesterday afternoon, when delivering a speech at the Fourth Session of the Discipline Inspection Commission of the Yunnan Provincial CPC Committee, Pu Chaozhu, secretary of the provincial party committee, emphatically pointed out: Strengthening the building of clean government and opposing corruption is a necessary condition and an important guarantee for the establishment of a socialist market economic structure. It is also a major issue which has a bearing on the success or failure of reform and the future and fate of the party and the state. He said: Since the central authorities issued the mobilization call to thoroughly wage a struggle against corruption in August, the provincial party committee and the provincial discipline inspection commission have attached great importance to the anticorruption struggle and all localities have given mobilization talks and made effective arrangements for the struggle. Achievements have been scored, in varying degrees, in the three tasks set by the central authorities: 1) Leading cadres at the county and office level have conducted inner-party democratic activities quite conscientiously and earnestly and carried out self-examination and self-correction in terms of incorruptibility and self-discipline. 2) Initial advances have been made in investigating and handling major and important cases. 3) Some unhealthy practices have been checked and initial success has been scored in rectifying selected departments. The whole struggle against corruption is progressing in depth and healthily. Facts have proved that our party is completely able to get rid of corruption by relying its own strength and the support of the masses. He said: As an important measure to maintain political stability, anticorruption work must solve the current outstanding problems in the improvement of party style



and building of clean government in an active, reliable, and down-to-earth way; alleviate and eliminate social hot points; strive to create a stable social environment; ensure the smooth progress of reform and opening up to the outside world; and promote the sustained, rapid, and healthy development of the national economy.

Pu Chaozhu emphatically pointed out: In regard to the anticorruption struggle, on the basis of continuing to consolidate what has been achieved in the three tasks of anticorruption in the previous phase, we should concentrate efforts, in a selective way, on the new contents given by the party Central Committee and the State Council to the three tasks for 1994 and give them a great deal of attention to ensure their gradual implementation. Leadership over anticorruption work should be effectively strengthened. The entire party should be mobilized and principal party and government leaders should personally take charge of anticorruption work and carry out the work level by level downward, with each level being responsible to the authorities above it. We should work hard to achieve marked results in implementing the three tasks, continue to do a good job of the issue of incorruptibility and self-discipline with cadres at the county and office levels, continue to devote great efforts to investigating and handling cases, and continue to check unhealthy practices.

As far as the struggle against corruption is concerned, we should encourage all members of society to participate in the struggle, combat corruption in a comprehensive way and by taking both radical and stopgap measures, and do a good job of anticorruption work by fully following the mass line and by relying on the masses. We should work out rules and regulations, augment the building of the legal system, strengthen supervision and inspection through publicity and education and the news media, give wide publicity to model individuals and advanced collectives honestly and diligently performing official duties for the people, foster a spirit of uprightness, make public corrupt behavior that is highly influential, combat evil trends, and teach all party members and the vast numbers of cadres to push the anticorruption struggle forward.

Present at yesterday's meeting were He Zhiqiang, Ling Huan, Yin Jun, Zhao Shumin, Lang Dazhong, Li Jiating, Zhang Baoshan, Meng Jiyao, Wang Tianxi, Zhao Tingguang, (Li Qun), (Li Lingge), (Li Lingde), and other leading cadres.

### North Region

#### Hebei Focuses on Technical, Profession Education

OW11040756/94 Beijing XINHUA in English  
0737 GMT 11 Apr 94

[Text] Shijiazhuang, April 11 (XINHUA)—North China's Hebei Province has concentrated its efforts on

building and upgrading technical and professional education with the aim of helping promote economic prosperity.

The first group of 60 technical and professional training schools (also called professional education centers) have been set up, equipped with advanced educational appliances and equipment such as computer systems.

Each of the schools has an average of 17,000 sq m of floor space and 1,620 students.

Such schools used to be run by individual counties and they were small and short of teachers and teaching facilities.

Statistics from 1990 show that each county with a population of about 300,000 had nine such schools on average, with only 100 to 200 students.

With progress made in the rural economy, more and more peasants are eager to learn new knowledge and skills.

In 1991 the provincial government urged various counties to concentrate their efforts on building one or two comprehensive education centers.

The second group of such schools is now under construction and they are expected to be operational in July this year.

The province plans to build one such high-grade comprehensive technical school in every county by 1995.

#### Hebei Notes 5-Year Family Planning Efforts

SK11040515/94 Shijiazhuang HEBEI RIBAO in Chinese 20 Mar 94 p 2

[Commentator's article "Control Population Growth and Build an Economically Strong Province"—marking the fifth anniversary of the promulgation of the "Hebei Provincial Regulations on Family Planning"]

[Text] It has been five years since the "Hebei Provincial regulations on family planning" were issued and put into effect. Formulation of the regulations indicated that Hebei began to manage its family planning work according to law.

Over the past five years, party committees and governments at all levels in the province have regarded enforcement of the "regulations" as an important part of the endeavors to strengthen the legal system and to disseminate laws and as the foundation for making family planning work successful. People's congresses and governments at all levels have made it a system to supervise the enforcement of the "regulations." Based on the "regulations," Hebei has also issued detailed rules for enforcement, methods for explanation and enforcement, comprehensive management measures, methods for managements of transients, and other supporting documents. Law-enforcement contingents for family planning

have been established at all levels from higher levels downward. Nearly 50 percent of Hebei's counties and cities have established courts for implementation of family planning to protect the legal rights and interests of the masses. The extensive and intensive publicity and enforcement of the "regulations" through various measures have enabled the masses to understand and abide by laws, restrict their child births with the "regulations," and greatly raise their awareness in implementing family planning. The "regulations" have helped stabilize the family planning policies, standardize the government behaviors, and maintain close cadre-populace ties. The promulgation and implementation of the "regulations" have helped gradually change the passive situation in family planning work and effectively control the inordinately large population growth. Since 1991, Hebei has fulfilled the state-assigned population plans for three years in a row. During the third baby boom when the number of women at the peak child-bearing age period was increasing every year, Hebei's birth rate declined from 20.32 per thousand in 1988 before the "regulations" were promulgated to 15.43 per thousand in 1993. Calculated on the basis of the 1988 birth rate, 850,000 fewer babies were born in these five years. This played an important role in promoting Hebei's economic and social development.

We should also note, however, that there are still some weak links in the enforcement of the "regulations." Leaders of some localities have failed to regard management of family planning work according to law as an important task; the "regulations" have yet to be publicized very intensively and extensively and to be enforced comprehensively; rural people who do not understand or abide by laws are rather many, and multiple child births by party members and cadres in violation of discipline have remained conspicuous; some localities have failed to implement the regulations on punishments and rewards; some localities have failed to standardize management of work and even practiced fraud; and some cadres, thinking that all their acts, no matter what, are reasonable as long as they are taken for family planning, have resorted to oversimplified and rigid measures and even violated laws in their administration, thus affecting the party-populace and cadre-populace relations. This shows that enforcement of the "regulations" is a long-term task.

This year is an important year for promoting the overall economic reform and accelerating establishment of the socialist market economy system. A better job in family planning will have a very important significance in rural areas' endeavor to achieve a fairly comfortable standard of living more rapidly, in maintaining Hebei's good trend in economic construction and social development, and in building an economically strong province. Firmly focusing on economic construction, the central task, we should further implement the "regulations," institutionalize family planning more rapidly, ensure fulfillment of various population growth control targets, and raise Hebei's overall family planning work to a new level.

Implementation of the "regulations" has a bearing on reform, development, and stability, which meet the overall interests. This is because the new problems in family planning work arising in the process of establishing the market economy system should be addressed by deepening reform; because population is an issue on development, which can be fundamentally resolved only when consideration is given comprehensively to the relations between economic and social development and population growth control; and because family planning is the matter concerning the vital interests of thousands upon thousands of families and only when the "regulations" are comprehensively enforced can we maintain close party-populace and cadre-populace ties and safeguard the stable and united situation. Therefore, leading cadres at all levels should have a stronger sense of responsibility and more initiative in enforcing the "regulations," take the lead in studying, publicizing, and enforcing the "regulations," and be models in studying, understanding, and enforcing laws.

We should continue intensifying the publicity and application of the "regulations." As family planning is the mass work, publicity to the implementation of the "regulations" cannot be separated from the masses. Publicity should be given in a repeated, in-depth, and persistent manner to make the "regulations" known to every village and household. Meanwhile, publicity of the "regulations" should be coordinated with patient and meticulous ideological work and with the publicity of the good persons and good deeds in exemplary enforcement of the "regulations" so that the masses, especially peasants, will understand that only with fewer births can they achieve affluence and a fairly comfortable life at an early date. We should persist in the direction of incentive and let the people who implement the "regulations" of their own accord gain real benefits. Cadres at all levels, especially rural cadres with party membership, should publicize the "regulations" through their own exemplary implementation of the "regulations."

To implement the "regulations," we should carry out administrative work strictly according to law. The "regulations" not only put forward standards and requirements on the masses' child births but also standardize the government behavior and protect the legal rights and interests of the masses. All localities should conscientiously intensify the education and training of leading cadres, cadres in charge of family planning, and law-enforcement personnel so that they will strictly act according to the "regulations" and will never resort to oversimplified and rigid methods, violate laws, or exceed the bounds. In this way, they will not only succeed in family planning work but also maintain close party-populace and cadre-populace ties.

The market economy is a legally codified economy. The market economy also calls for establishment of necessary laws for family planning and higher demands on management of family planning according to law. Population is an economic, social, and development issue and also

an important political issue. Party committees and governments at all levels should approach enforcement of the "regulations" from the perspective of the effort to seize the opportunity, deepen reform, open wider to the outside world, promote development, and maintain stability and, strictly meeting the demands of the "regulations," actively guide the masses to further embrace the ideas of giving births according to law, giving fewer births, and practicing sound upbringing and accomplish the population growth control targets in high quality to promote early attainment of the grand goal of building an economically strong province.

### Northeast Region

#### Heilongjiang Secretary Views Armament Industry

SK0040190194 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 8 Apr 94

[Text] Sun Weiben, secretary of the provincial party committee, and Sun Kuiren, standing committee member and secretary general of the provincial party committee, made an inspection tour of Qiqihar city from 5 to 8 April. Accompanied by (Wang Houjun), secretary of the Qiqihar City Party Committee, and Chi Jianfu, mayor of the city, they went to the (Huangan) Industrial Corporation, the (Heping) machinery plant, and the (Jianhua) machinery plant, three major armament industrial plants in Qiqihar, to listen to their detailed reports. They also went to some workshops to inspect the production situation and had contact with many cadres, staff, and workers. They also convened several forums with workers, scientific and technological personnel, and with managerial personnel to listen to the opinions and voice of the grass roots and to learn about the difficulties of armament industrial enterprises.

During the forums, Sun Weiben said: In the process of changing from a planned economy to a market economy, many new frictions and contradictions will certainly emerge. And, problems are extremely conspicuous among the armament industrial enterprises that were completely based on a planned economy in the past. Therefore, how to orient the armament industrial enterprises to the markets is a completely new question, and it is extremely urgent to enable these enterprises to find their way out under the guidance of the new [words indistinct].

Whenever Sun Weiben went, he introduced the province's overall development situation. He said: As an energy resources and raw materials industrial base, Heilongjiang Province is [words indistinct] in the armament industry, the light industry, and the trades of grain, coal, and beer. This requires Heilongjiang people to further emancipate the mind, face up with realities, and create conditions for overcoming difficulties with the concerted efforts from higher to lower levels.

After profoundly learning about the situation, Sun Weiben said: The problems of armament industrial

enterprises must be resolved immediately. To halt the loss of a policy nature, we need the state support of a policy nature. The burdens on armament industrial enterprises are very heavy. The wages to retired personnel alone have taken more than half of their maintenance funds. Thus, such enterprises should give full consideration to the issue of reform and should encourage part of their employees to do business of other trades.

Sun Weiben highly praised armament industrial enterprises for their reform measures of producing the products with high added value [words indistinct] and for their method of supporting the armament industry by running civilian industries. Sun Weiben was also extremely satisfied with the projects of the 641 desert-use cars, the forklifts, and [words indistinct]. He demanded that plants should improve the grade of their products, expand the scale of production, and occupy markets as quickly as possible. With regard to the fund problem, Sun Weiben said: Every possible means should be made to change from accepting funds to creating funds and seize the current favorable opportunity to invigorate armament industrial enterprises. Principal state leaders have been much concerned with the province's armament industrial enterprises. General Secretary Jiang Zemin, Vice Premiers Zhu Rongji and Zou Jiahua, and some other leaders have called on the province to resolve the problems of some large armament industrial enterprises in Qiqihar as quickly as possible.

Sun Weiben called on armament industrial enterprises to seize the favorable opportunity, carry forward the voluntary spirit, increase the dynamics of reform, and explore new ways to invigorate armament industrial enterprises.

#### Jilin Secretary Attends Rural Work Conference

SK004143294 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 7 Apr 94

[Text] The provincial party committee held a televised conference on rural work to relay the guidelines of the recent central rural work conference and arrange Jilin's rural work for this year. Attending the conference were provincial leaders He Zhukang, Wang Jinshan, Zhang Yueqi, Feng Ximing, Liu Yaxin, Xu Zhongtuan, Wang Guofa, Qian Zhezhu, and (Liu Xilin) as well as principal responsible comrades of various provincial departments and principal responsible comrades of city, autonomous prefectural, and county party and government organs.

Wang Jinshan, deputy secretary of the provincial party committee, presided over the conference. He Zhukang, secretary of the provincial party committee, gave an important speech.

He Zhukang first emphasized: We should correctly estimate the situation and enhance the sense of urgency toward the endeavor to make agricultural and rural work



successful. The current overall rural situation is developing well, but we should never be unrealistically optimistic. We should remain clear-headed to understand that our current capacity for agricultural production is still low, that improving agricultural level is a task that takes time, that great efforts are needed in increasing the strength for sustained development, and that we must never lower our guard to neglect or slacken efforts in agriculture and rural work. Based on the guidelines of the central conference, the provincial party committee put forward eight demands on Jilin's agriculture and rural work for this year.

First, party committees and governments at all levels should conscientiously put agriculture and rural work in the first place of economic work and devote great efforts to them. This year is the last year for us to attain the target of promoting the economy to a new height in three years. According to the requirements of this target, grain output should exceed 19 billion kg, agricultural output value should increase by 6 percent, township enterprises' output value should grow by 33.3 percent, and peasants' per capita income should exceed 1,000 yuan. These tasks are very arduous. All levels must step up efforts to implement them in a down-to-earth manner, pay attention to key issues, and add impetus to work.

Second, we should adhere to the principle of developing the rural economy in all sectors. The general requirements are as follows: In grain production, we should concentrate efforts on per-unit yields, increase total output, tap potential, and reduce production cost; and in animal husbandry and other diverse production, especially township enterprises, which are currently the major ways to lead peasants to an increased income and affluence, we should regard them as the strategic priority of the rural economic work and accelerate their development. Proceeding from the specific local conditions, all localities should fully develop their advantages to comprehensively develop the agriculture and rural economy that reflect their own characteristics.

Third, we should strive to raise agricultural productivity. 1) We should map out ways to enable surplus laborers to have work to do and peasants to [words indistinct] all the year round. 2) We should study ways to develop Jilin with the application of science and technology and the promotion of education, the ways to rely on scientific and technological advance to upgrade peasants' quality, and the ways to carry out extensive and in-depth activities to develop agriculture with the application of science and technology and the promotion of education, accelerate the dissemination and application of scientific and technological achievements, achieve success in the rural vocational and technical education, and improve the peasants' ability and level in making the best of rural resources. 3) We should study ways to restructure agriculture and rural production setup more rapidly in line with specific local conditions and develop high-yield, good-quality, and high-efficient agriculture.

Fourth, we should add impetus to reform to particularly address the difficulties in rural economic development. In the current endeavor to deepen the rural reform, we should give particular attention to stabilizing the relations in land contracts, clarifying ownership, stabilizing the rights to contract, relaxing control on land use rights, and establishing a reasonable mechanism for transfer. We should step up efforts to build markets, develop rural markets, connect urban and rural markets, accelerate the establishment of the socialized service system, and actively lead peasants to markets. We should develop the collective economy to expand the collective economic strength. We should continue the good job in the experimental zone for rural reform and development to blaze a new road for deepening the rural reform.

Fifth, we should devote earnest efforts to the implementation of various policy and measures. At present, we should particularly supervise and urge the implementation of the policies on supporting the rice sacks and vegetable baskets, the policies on reducing the burdens on peasants, the policies on the production and marketing of the means of agricultural production, the policies on service by increasing agricultural funds, and the policies on supporting the farm machinery, irrigation, and agricultural science and technology service systems. Leaders at all levels should not merely pay lip service to their effort to attach importance to agriculture and rural work. They should let this effort be manifest in their specific work. Strengthening agriculture and rural work is the major work for the entire party and entire society. We should establish effective systems for inspection, supervision, and guidance and regard implementation of policies as an important criterion for appraising the work styles and performance of cadres.

Sixth, we should ensure stability in rural society. Leaders at all levels should be aware of hardships and resolve well the hot issues with which the masses are much dissatisfied in a timely manner. The focuses are 1) to continue to successfully reduce the burdens on peasants, 2) to conscientiously strengthen rural public security work, and 3) to improve party style and administrative honesty. We should be firm in reducing the burdens on peasants. Based on the central guidelines, the provincial party committee reiterated the following work.

1) It is not permitted to continue collecting fees that should be canceled as stipulated in explicit central and provincial orders and to continue the activities for attaining certain targets and levels that should be canceled as stipulated in explicit orders. 2) It is not permitted to collect unwarranted funds from peasants this year, and those who do so should be held accountable. 3) Warrant collections of fees, donations, funds, and fines should be resolutely dealt with and banned. 4) All levels and all departments should inspect how they have implemented the regulations of the party Central Committee and the State Council and strictly deal with those who violate the regulations. Regarding the departments in charge which fail in this work, their leaders should be held responsible. Resolute efforts should be made in the

comprehensive management of rural public security. Meanwhile, we should resolutely check the unhealthy trends within the party and in society, that the masses have many complaints, especially the healthy trends of extravagance, extortion, and exaggeration. We should resolutely oppose fraud. Those who resort to improper means to gain fame and cheat higher level should be investigated and have their responsibility affixed once discovered.

Seventh, we should succeed in improving rural grass-roots organizations. Party committees at all levels should attach importance to improvement of rural grass-roots organizations and achieve success in improving party branches, villagers' committees, villagers' collective economic organizations, and youth, women, and militia organizations so that they will continue to play their role in rural reform, development, and socialist construction.

Eighth, we should strengthen the rural spiritual civilization. We should conduct extensive education on socialism, patriotism, collectivism, and scientific and general knowledge, eliminate numerous bad feudal and superstitious customs and habits, and establish good social practice. We should strengthen family planning, raise the quality of the population, and develop the two civilizations in a coordinated manner.

In conclusion, **He Zhukang** emphasized: We should firmly embrace the idea of serving peasants and agriculture and maintain close ties with the masses. It requires the concerted efforts of all fields to achieve stable agricultural development and promote rural work. However, the most important thing is to rely on the vast number of peasants and fully stimulate their enthusiasm and creativity. With the issues on peasants resolved and agriculture promoted, we will have a reliable foundation for the development of all our undertakings. We should give heed to the views of peasants. In particular, leading cadres at all levels should often go deep into the reality of life to directly listen to the voice of peasants and learn about what they think, what they expect, what they support, and what they oppose. We should increase the transparency of rural economic management. With regard to financial management, in particular, we should make systems public and publish revenue and expenditure accounts for the scrutiny of the masses so that (democracy in rural areas will be strengthened). We should protect the legal rights and interests of peasants. At present, we should earnestly address the hot issues which peasants are concerned about. We should adopt effective measures to solve the problem of usurious loans in rural areas. We should support and protect peasants' entrance into the market and create a market environment for competition on an equal footing. Any deeds that damage the interests of peasants, such as wanton price rises in the means of production, marketing of fake and inferior commodities, and forcible purchases and sales, should be strictly investigated and handled and resolutely corrected. We should show concern for peasants' hardships. All localities should conscientiously do a

good job in helping those ridden by poverty and difficulties, with the focus on helping the areas with concentrations of poverty-stricken towns and townships, and mobilize and organize the masses to win a success in supporting the poor and achieving affluence. All levels and all departments should further change their work styles and improve their work methods. After this conference, major leading comrades of the provincial as well as city and county party and government organs should all devote a certain period to investigation and study activities in rural areas. They should hold heart-to-heart talks with the masses, pay attention to the opinions and expectations of grass-roots cadres and peasants, and clearly understand to what an extent the central and provincial policies have been implemented, the true conditions in rural reform, economic development, and peasants' life, and the major problems that dampen peasants' enthusiasm and affect rural economic development. They should look for effective ways together with the cadres and the masses to solve these problems. Spring farming will begin soon. Party committees and governments at all levels should concentrate efforts on spring farming to lay a good foundation for this year's bumper harvest. The provincial party committee is convinced that as long as party committees and governments at all levels in the province attach great importance and devote earnest efforts to implementation of the guidelines of the central and provincial rural work conferences, Jilin's agriculture and rural work will be promoted to a new level.

Comrade **Wang Jinsan** pointed out at the end of the conference: Party committees and governments at all levels should conscientiously organize cadres and the masses to study Comrade **He Zhukang's** speech, comprehensively understand its guidelines, implement them in doing their specific work, and strive for practical results. After this conference, all levels should put forward, as soon as possible, the specific opinions on implementation of these guidelines and submit them to the rural work office of the provincial party committee in the near future.

### Northwest Region

#### Zhang Wule Elected New Governor of Gansu Province

QINJIA725246 Beijing MEMPHIS in English  
1129 GMT 10 Apr 64

[Text] Lanzhou, April 10 (QINJIA725246)—Zhang Wule was by-elected governor of Gansu Province, Northwest China, at the second meeting of the Eighth Gansu Provincial People's Congress Saturday [9 April].

Meanwhile, **Ke Maosheng** was by-elected vice-chairman of the Standing Committee of the Eighth Gansu Provincial People's Congress.

Zhang Wule was former vice-governor of the province.

**Gansu Leaders at Provincial CPPCC Session**

*HK1104001294 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 1 Apr 94*

[Excerpts] The Second Session of the Seventh Gansu Provincial Chinese People's Political Consultative Conference [CPPCC] Committee was solemnly inaugurated in Lanzhou's Lingmuzhuang Auditorium at 0900 on the morning of 1 April.

Entrusted by provincial CPPCC committee Chairman Shen Xiaozeng, Li Dong, provincial CPPCC committee vice chairman, presided over this morning's opening ceremony which adopted an agenda and a schedule for the Second Session of the Seventh Gansu Provincial CPPCC Committee.

On behalf of the provincial CPPCC committee standing committee, Han Zhengqing, provincial CPPCC committee vice chairman, delivered the Work Report of the Seventh Gansu Provincial CPPCC Committee Standing Committee in which he summed up the provincial CPPCC committee standing committee work over the past year in the following five aspects:

1. The provincial CPPCC committee standing committee has persistently conducted work under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.
2. The provincial CPPCC committee standing committee has actively participated in discussing and handling state and political affairs with an eye on promoting the province's economic construction.
3. The provincial CPPCC committee standing committee has given full scope to the role played by CPPCC members at all levels across the province.
4. The provincial CPPCC committee standing committee has actively participated in the ongoing anticorruption struggle.
5. The provincial CPPCC committee standing committee has made redoubled efforts to strengthen CPPCC organizations at all levels across the province.

Speaking of this year's tasks, Han Zhengqing stated: The year 1994 is a crucial year in which China is expected to make giant strides in comprehensively furthering the ongoing economic structural reform. In view of this situation, provincial CPPCC committee work should aim at submitting to and serving such overall interests as grasping opportunities, deepening reform, expanding opening up, promoting development, and maintaining stability. Under the leadership of the Gansu Provincial CPC Committee, the Gansu Provincial CPPCC Committee should conscientiously implement the spirit of the Second Session of the Eighth CPPCC National Committee, hold aloft the banner of patriotism and the banner of socialism, continually give full scope to roles played by CPPCC organizations and members with regard to political consultation and democratic supervision, actively participate in discussing and handling state and political affairs with an eye on tackling major problems in the course of Gansu's reform and construction, unite all those that can be united, mobilize all positive factors, help party committees and people's governments at corresponding levels properly handle relations between reform, development, and stability, and strive to make due contributions to expeditiously building a socialist market economic structure, maintaining sustained, rapid, and healthy national economic growth across the province, safeguarding political stability, and comprehensively pushing ahead with social progress! [passage omitted]

Today's opening ceremony was attended by provincial CPPCC committee Vice Chairmen Huang Zhengqing, Zhu Xuanren, Wang Ping, Chen Jianhong, Jin Zhongdi, and Du Dashi.

Provincial party, government, and military leaders and some of the province's retired veteran leaders also attending today's opening ceremony upon invitation included: [provincial party committee Secretary] Yan Haiwang; [Lanzhou Military Region Commander] Liu Jingsong; Chao Pengsheng [Lanzhou Military Region political commissar]; Lu Kejian; [acting provincial Governor] Zhang Wule; Sun Ying; Huang Shitai; Li Dengying; Xu Feiqing; Ge Shiyang; Li Hulin; and others. [passage omitted]



**Taiwan Affairs Office Statement on Boat Incident**

OW0904102194 Beijing XINHUA Domestic Service in Chinese 0854 GMT 9 Apr 94

[Text] Beijing, 9 Apr (XINHUA)—A responsible person of the State Council's Taiwan Affairs Office today issued a statement concerning the fire on a pleasure-boat in Qiandao Hu, Zhejiang. He said both sides of the strait did not want to see the unfortunate accident happen, which killed 32 compatriots from the two sides. He urged the Taiwan side to view the accident objectively and calmly.

On 31 March, a fire broke out on a pleasure boat in Zhejiang's Qiandao Hu, which, to our great sorrow, killed 24 Taiwan compatriots who had come to the mainland for sightseeing as well as eight mainland compatriots. The State Council's Taiwan Affairs Office grieves over the deaths, and expresses profound sympathy and solicitude for the families of the Taiwan and mainland compatriots who died in the accident.

The State Council leaders have attached great importance to problems arising from the fire, and have urged the Zhejiang Provincial People's Government to earnestly deal with the aftermath of the accident and to expedite investigations of the cause of the accident. The Ministry of Public Security, the National Tourism Administration, and Zhejiang Province immediately took measures to conduct on-the-site rescue, inspection, and search for victims' bodies. Acting on a briefing by Zhejiang's departments concerned, the Association for Relations Across the Taiwan Strait promptly took the initiative to inform Taiwan's Strait Exchange Foundation about the relevant circumstances. Currently the departments concerned are continuing to exert efforts to further deal with the aftermath, and to investigate the accident's cause, striving to release it as soon as it is verified.

The responsible person said: Both sides of the strait did not want to see this unfortunate accident happen. We trust that Taiwan compatriots at large will show understanding for the measures taken and the efforts made by the mainland departments concerned to deal with the accident. We are willing to listen to positive suggestions and opinions from various parties, including Taiwan compatriots. It is our hope that Taiwan's relevant departments will view the accident in an objective and calm manner to prevent some people from exploiting this accident to create public opinion and trouble unfavorable to the development of cross-strait relations.

**XINHUA English on Statement**

OW0904134294 Beijing XINHUA in English 1323 GMT 9 Apr 94

[Text] Beijing, April 9 (XINHUA)—The Taiwan Affairs Office of the State Council published a speech here today to mourn over the deaths of the victims of a boat-fire and express condolences to the families of the deceased.

In all, 32 people, including 24 Taiwan tourists and eight mainlanders, were killed in a pleasure-boat fire on March 31 on Qiandao Lake in East China's Zhejiang Province.

The speech says that the State Council has shown great concern over the accident, instructing the Zhejiang Provincial Government to handle the accident properly and find out the cause of the accident as soon as possible.

The Ministry of Public Security, State Tourism Administration and Zhejiang Province have surveyed the site and searched for the remains of the victims.

The Association for Relations Across the Taiwan Straits (ARATS) of the mainland has passed on reports from Zhejiang Province to the Straits Exchange Foundation of Taiwan.

At present, the cause of the fire is still under investigation.

The office believes that Taiwan compatriots understand the mainland's efforts and measures in handling the accident. It hopes the Taiwan side would view the accident objectively and soberly so as to prevent agitators from stirring up incidents which may harm the relations across the straits.

**Zhejiang Official on Taiwan Boat Accident Victims**

OW0904152694 Beijing XINHUA in English 1458 GMT 9 Apr 94

[Text] Hangzhou, April 9 (XINHUA)—Relatives of the 24 Taiwanese tourists who perished recently in a mainland boating accident left for Hong Kong with the ashes of the victims this morning.

A Chinese airliner, originally scheduled to fly directly from Shanghai to Hong Kong, made a stopover here to take on the relatives of the 24 victims, who died on March 31 when the boat they boarded burst into flames on Qiandao Lake. Also dead in the accident were eight mainland crew members.

Liu Xirong, vice-governor of Zhejiang, extended condolences to each of the relatives before they boarded the plane.

He said the mainland people shared the same feeling as the Taiwan compatriots. He asked them to take care and convey his regards to other relatives back in Taiwan.

Officials from other departments also saw the Taiwanese off at the airport.

The possibility of sabotage is not ruled out, according to sources from authoritative departments, who found suspicious clues in the investigation.

Public security departments are all out to dig up the cause of the accident. Results will be released to the public timely and in a proper way. If evidence confirms

that the accident was staged, the culprits will be severely punished according to the law, said the sources.

### Victims of Boat Incident Cremated in Zhejiang

HK0704145094 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1200 GMT 7 Apr 94

[By Wu Weizhong (0702 5588 0022)]

[Text] Tonglu, 7 Apr (ZHONGGUO XINWEN SHE)—It was drizzling this afternoon. The relatives of the Taiwan compatriots who died in the "31 March Hairui pleasure boat fire" came to the funeral parlor in Tonglu [a county southeast of Hangzhou], Zhejiang Province to pay their last respects to the remains of the deceased.

At 0755, the cremation of the first body began.

Earlier, at 0630, reporters arrived at the Tonglu funeral parlor to find themselves in a spacious mourning hall permeated with an atmosphere of solemnity. The coffins of the 24 Taiwanese victims were shrouded in green silk covers and laid neatly in a line.

Both sides of the mourning hall were lined with wreaths from relevant departments and individuals from the mainland and Taiwan.

Under a banner which read, "Mourning with deep grief the death of our compatriots," stood the portraits and name tablets of the deceased.

At 0645, relatives of the Taiwanese victims came to the mourning hall. Facing portraits of their loved ones, they burned incense, paid their respects on bended knee, and went through mourning procedures according to Taiwan customs. Afterward, the relatives chose cinerary caskets for the victims. Some of them had brought cylindrical caskets with them from Taiwan.

Ma Shiyong [7456 2514 7167], vice mayor of Hangzhou, attended the mourning ceremony with his office personnel. He said: We are here today with deep grief and would like to express our heartfelt condolences over the deaths of the victims and sympathy for their families on behalf of the provincial, city, and county governments. We hope you will restrain your grief and take care of yourselves.

Afterward, Ma Shiyong and his office personnel bowed three times to the portraits of the Taiwanese victims as a gesture of condolence, to which the victims' relatives responded.

It is learned that today's mourning ceremony and cremation had been arranged according to the wishes of the victims' families.

The cremation of the Taiwanese victims' bodies will continue until the morning of 8 April.

Information from another source said that by yesterday afternoon [6 April], the bodies of eight mainland victims had been cremated or buried. (Because Chunan is a mountainous area and lacks a crematorium, crew members from Chunan who died in the accident were buried there.)

### Hong Kong, Taiwan Media Comment on Boat Incident

OW1104140194 Beijing XINHUA Domestic Service in Chinese 0842 GMT 11 Apr 94

[Text] Hong Kong, 11 Apr (XINHUA)—In statements made over the past few days over the boat tragedy in Zhejiang's Qiandao Lake, some politicians in Taipei [Taipei] have voiced such words as "boycotting" mainland tours and investments, "adjusting cross-strait exchange measures," and "suspending cross-strait working level talks." Some even seized the opportunity to advocate "Taiwan Independence." This phenomenon has aroused concern on and outside the island.

In its 10 April editorial, Hong Kong's HSIN PAO said that Taiwan officials' criticism of mainland over the Qiandao Lake incident can be said to be unprecedented in recent years. Whether the Taiwan authorities will slow down development of cross-strait relations because of this incident is worth giving thought.

Brief commentaries and column articles carried by the TAIWAN WORLD FORUM [shi jie lun tan bao 0013 3954 6158 1086 1032] said: As the Qiandao Lake boat tragedy is an isolated incident that has unfortunately taken place, it should be analyzed objectively and calmly so that its aftermath can best be dealt with and not to push the incident toward a political confrontation between the two sides of the strait. Its brief commentary pointed out: Cross-strait peace will benefit both sides; although the Qiandao Lake incident has grieved people, if it is to be viewed from the perspective of the state and the nationality as a whole, it virtually should not go to the extent of retrogressing the cross-strait relations that only serves to sadden our own people and gladden the enemy.

Some Hong Kong and Taiwan media also criticized certain people on the island for capitalizing on the unfortunate incident to advance advocacy of "Taiwan Independence," an act of self-deceiving "political morphine" that is doomed to fail.

**Premier: PRC Handling of Qiandao Tragedy  
'Inhuman'**

**Focus 'Should Not Be Blurred'**

OW0904044794 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
8 Apr 94

[Report by station correspondent Wang Wei-chun; from the "Hookup" program]

[Text] Answering an interpellation at the Legislative Yuan on 8 April, Premier Lien Chan pointed out that the government and the public have identical points of view regarding the tragedy which took place on Lake Chientao [Qingdao] in Zhejiang Province, maintaining that the Chinese Communist authorities were inhuman and irresponsible in handling the incident, and that the mainland authorities totally lack a sense of rule by law.

The premier indicated that the Chinese Communist authorities should not be forgiven for their total disregard of sensibilities, human rights, and humanitarianism. Station correspondent Wang Wei-chun reports:

[Begin recording] [Wang] Premier Lien again used strong wording to condemn the Chinese Communist authorities for their handling of the tragedy that occurred on Lake Chientao. Premier Lien stressed that places which cannot ensure the safety of tourists are not qualified to welcome visitors.

[Lien] As one Chinese saying goes, one should not enter a state besieged by danger, or live in a state of unrest. Before we visit a place for sightseeing purposes, we must make our decision carefully. How can a region of danger or unrest, or a region that cannot ensure the safety of its visitors, consider itself qualified to welcome visitors from the outside?

[Wang] Premier Lien also urged tourism services at home to examine their operations. He pointed out that under a plan drawn up by the Ministry of Communications for developing sightseeing in Taiwan, the government will improve the sightseeing environment every year. On the other hand, he urged the Legislative Yuan to quickly finish examining the regulations which the Executive Yuan has drafted for developing tourism so that departments in charge of tourism will become more effective in supervising travel safety.

Meanwhile, in view of the fact that some legislators of nonruling parties have insisted on linking the tragedy on Lake Chientao with the controversy of reunification and Taiwanese independence, Premier Lien pointed out that the most important thing the government and the public can do at present is to work together to make sure the death of the 24 citizens is justly settled. He said the focus of the tragedy should not be blurred.

This is China Broadcasting Corporation correspondents Ho Chien-min and Wang Wei-chun at the Legislative Yuan. [end recording]

**SEF Seeks ARATS Emergency Meeting**

OW0904093594 Taipei Voice of Free China in English  
0200 GMT 9 Apr 94

[From the "News" program]

[Text] The Strait Exchange Foundation [SEF] has asked Mainland China's Association for Relations Across the Taiwan Straits [ARATS] to hold an emergency meeting about the Chientao [Qiandao] Lake tragedy. Mainland Affairs Council [MAC] Chairman Huang Kun-hui said Friday [8 April] if the mainland side failed to respond favorably, the government is ready to make a proper review of relations between two sides. He did not elaborate.

A tourist boat reportedly exploded in flame while crossing Qiandao Lake in Mainland China's eastern province of Chekiang [Zhejiang] on 31 March. Thirty-two people, including 24 Taiwan tourists, were killed. All urged mainland authorities to make public the cause of the incident and measures being taken to cope with the aftermath. They should give the victims' families a clear detailed account rather than making excuses like causes of death unknown.

In addition, government spokesman Jason Hu said the government will call a series of international press conferences to recount the inhuman treatment the Taiwan visitors suffered in the Qiandao Lake incident.

**President Li Criticizes Beijing**

OW0904155094 Taipei CNA in English 1347 GMT  
9 Apr 94

[By Lilian Wu]

[Text] Taipei, April 9 (CNA)—President Lee Teng-hui Saturday [9 April] called Beijing's handling of the Lake Qiandao disaster "shoddy," saying mainland officials had acted like "a bunch of bandits."

Li made the remarks while touring Chungshing new village.

He stressed that government should be a government "of the people [words indistinct] saying that the Communist Party is made up of [word indistinct] elements and they have acted like a bunch of bandits, he said that such a government should have been discarded by the people long ago.

Meanwhile, Huang Kan-hui, chairman of the Mainland Affairs Council, condemned Beijing's handling of the case as "barbaric and shameless."

It was the harshest criticism of Beijing's authority from any ministerial-level official since the government adopted an open policy toward the mainland.



He also criticized Beijing for having repeatedly turned down requests from Taiwan's Strait Exchange Foundation to send an official to the mainland to assist the victims' relatives.

Huang accused Beijing of trying to cover up the truth by barring reporters and the relatives from examining the [word indistinct] boat.

### Condemns Authorities' 'Utter Disregard'

OW1004031394 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 9 Apr 94

[From the "Hookup" program]

[Text] On 8 April, President Li Teng-hui harshly condemned the Chinese communist authorities' utter disregard for human life as shown in the fire aboard a cruise-boat on Chientao [Qiandao] Lake. President Li said: The Chinese communist authorities are killing our countrymen and behaving like bandits. Can such a government [zheng fu] be called a government?

President Li said the Chinese people should have renounced such a regime [zheng quan] a long time ago.

President Li stated: [begin Li recording] A large group of evil forces, (?with the support of) a party, have behaved like bandits. Look, they have killed many of our countrymen! Right? How can such a government be called a government? The people should have renounced it a long time ago! [end Li recording]

President Li made this comment at a meeting with 336 township, town, and city mayors—a meeting sponsored by the Taiwan Provincial Government in Chung Hsing New Village.

President Li stressed that while the Republic of China now enjoys the most democratic period and greatest freedom in its history, people in government offices should still understand that power comes from the people, and thus the government must properly accomplish all assignments entrusted by the people. People in high office should by no means think they have absolute power.

### MAC Chairman Lists Questions

OW0904150494 Taipei CNA in English 1419 GMT 9 Apr 94

[Text] Taipei, April 9 (CNA)—Chairman Huang Kun-hui of the Mainland Affairs Council [MAC] on Saturday blasted Beijing as "irresponsible, unreasonable, and having no basic respect of human rights" or its handling of the Lake Qiandao disaster, in which the charred bodies of 24 Taiwan tourist and eight mainland crew members and guides were found aboard a tour boat.

"There are so many doubts that have yet to be cleared up about the disaster," Huang said in a press briefing held at Chiang Kai-shek International Airport. The briefing was

attended by some 150 foreign and local reporters, as well as relatives of the Taiwan victims.

The deaths occurred March 31 on Lake Qiandao, or Thousand Island lake, in the coastal Province of Zhejiang. The bodies were found one piled on top of another, most of them burned beyond recognition, in the lower-deck cabin of a cruise boat.

Huang listed several challenges to Beijing's claim that the deaths are accidental, and not the result of a robbery.

—The cruise was first reported missing at 5 p.m. on March 31 and was found on fire at 8 a.m. the next day. How could the searchers fail for 15 hours to find the burning boat, and how could the fire last for so long?

—Why were the 32 victims found in the lower-deck cabin? Why didn't the four crew members, reported to be excellent swimmers, or any on the other victims jump off the boat to escape the fire?

—Why were only the upper parts of the bodies charred while their lower parts remained roughly intact?

—Why were only a few personal belongings of the victims found, and not all the belongings they were known to be carrying?

—Why were autopsies performed on the bodies without the prior approval of the relatives?

—Why did Beijing bar the relatives from taking pictures of the ship and reject their request to take the bodies back to Taiwan?

—Why didn't the Association for Relations Across the Taiwan Straits, which is authorized to handle exchanges with Taiwan, immediately inform its Taiwan counterpart, the Straits Exchange Foundation, about the incident? Why did Beijing refuse to allow the SEF to provide humanitarian assistance to the relatives on the mainland?

—Why did Beijing bar reporters from approaching the site and from interviewing the relatives?

While calling on international human rights organizations to show more concern about the incident, Huang said that Beijing's failure to clear up doubts about it would be tantamount to confessing its disregard for human life.

He said that Taiwan will change its policy towards the mainland, pending the results of Beijing's investigation.

Huang also noted that the fifth round of cross-strait technical talks, scheduled to be held later this month in Taipei, will be postponed until the Lake Qiandao tragedy is properly resolved.

### Report of Soldiers Boarding 'Hairui'

HK1104044494 Hong Kong LIEN HO PAO in Chinese  
11 Apr 94 p 1

[Text] Hong Kong—At 11 o'clock yesterday morning, a man who said he had come from Zhejiang and was going somewhere by way of Hong Kong, telephoned the Editorial Department of LIEN HO PAO and said that on the day the incident occurred on the Hairui, his friends and he were on the spot, saw several armed mainland servicemen board the ship, and shortly after, the two ships sailed off at the same time.

The man said that on 31 March, the day of the Hairui tragedy, several of his friends and he were on the spot on another ship. He said: "I saw a ship with more than 10 persons armed with guns and in army uniforms berthing by the side of Hairui. Several of them boarded the Hairui. Very soon, the two ships sailed off at the same time."

The man, who was unwilling to give his name, said, "The ship with personnel in army uniforms belonged to Anhui Province." He also said: "My three friends, who were on the same ship with me, told local people about the matter and were immediately put into prison by public security personnel."

When an editor of LIEN HO PAO wished to see the man to find out details, he politely declined by saying that he was leaving Hong Kong.

### Ministry May Stop Mainland Investments

OW1104095194 Taipei Voice of Free China in English  
0200 GMT 11 Apr 94

[From the "News" program]

[Text] The Ministry of Economic Affairs has announced plans to bar ROC [Republic of China] investors, for the time being, from sinking further amounts of capital into the development of industrial parks in the mainland. The general disgust with conditions on the mainland enlisted by the boat tragedy may furnish the harsh warning ROC economic planners have been looking for to cool mainland investment fever.

### Officials Deny U.S. Report on Drug Smuggling

OW1104101294 Taipei Voice of Free China in English  
0200 GMT 11 Apr 94

[From the "News" program]

[Text] About 400,000 of Taiwan's 20 million residents are addicted to drugs, according to a report by the Bureau of Investigation. The bureau said that it has seized a total of 1,300 kilograms of heroin last year, which was sufficient to supply 32,000 drug addicts for one whole year. But the seizure only reflected about one-tenth of the overall drugs smuggled into Taiwan, indicating that about 400,000 people here are addicted to drugs.

The bureau also flatly denied the report by the United States State Department that Taiwan is Asia's largest way station for drug shipment. Citing a record 336-kilogram heroin seizure last May, the Bureau of Investigation said that Taiwan will not allow drug barons to turn the island into a transfer port for drug trafficking.

### Lien Chan Views Resignation of Japanese Prime Minister

#### Political Instability 'Understandable'

OW0904090394 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
8 Apr 94

[From the "Hookup" program]

[Text] In answering an interpellation by legislator (Chiu Chueh-cheng) regarding Japanese Prime Minister Morihiro Hosokawa's announcement of his resignation, president of the Executive Yuan Lien Chan said that political instability in Japan at present is understandable because the present Japanese Government is formed by several political parties and the Japanese Government is also faced with the call for political reform and the problem of economic recession. Lien Chan said: The Ministry of Foreign Affairs and concerned government departments have made efforts to strengthen relations with various Japanese political parties which have formed the current Japanese Government. It is believed that the Japanese Government will certainly attach importance to relations between China [Republic of China—ROC] and Japan. President of the Executive Yuan Lien Chan said:

[Begin recording] The Ministry of Foreign Affairs and other related departments have done their best to promote and enhance relations with various Japanese political parties which have formed the coalition government. Those Japanese political parties have successively held panel discussions between Japanese and Chinese [ROC] legislators. I am convinced that the Japanese Government will certainly attach great importance to the relations between China [ROC] and Japan. [end recording]

The preceding are remarks by Lien Chan, president of the Executive Yuan.

After the release of the news of the Japanese prime minister's resignation, U.S. President Clinton expressed his regret over Hosokawa's decision. Communist China hoped that the resignation of Hosokawa would not influence the friendly relations between China [PRC] and Japan. South Korean President Kim Yong-sam, who had a 15-minute talk with Hosokawa, expressed his concern for Hosokawa and guaranteed that his personal friendship with Hosokawa would not change.

### 'Not Likely' To Affect GATT Bid

OW0904081194 Taipei CNA in English 0744 GMT  
9 Apr 94

[By Sofia Wu]

[Text] Taipei, April 9 (CNA)—The resignation of Japanese Prime Minister Morihiro Hosokawa is not expected to weaken Japan's support for Taiwan's bid to join the General Agreement on Tariffs and Trade (GATT), a high-ranking trade official said Saturday [9 April].

Director-General Huang Yen-chao of the Board of Foreign Trade (BOFT) said the Japanese administration is usually free from political interference.

"Hosokawa's successor is not likely to change Japan's established policy of supporting Taiwan's GATT bid," Huang said.

He pointed out Taiwan's entry into the Geneva-based world trade regulatory body is in Japan's interest under the current GATT framework.

"Japan enjoys a huge trade surplus with Taiwan," Huang said. "Japan would benefit further from Taiwan's market opening following its GATT entry," he noted.

Huang is scheduled to visit Tokyo late this month. While there, Huang will hold informal GATT-related tariff concession talks with Japanese officials and discuss other bilateral trade issues. Japan has not yet proposed a list of items it wants to negotiate with Taiwan for tariff reductions.

Huang said he hopes Japan's new cabinet will take more positive steps to redress its huge trade surplus with Taiwan, which reached a record US\$14.2 billion in 1993 and is likely to hit US\$16 billion this year. "If the growing trade imbalance remains unresolved, it will become a political issue," he warned.

Despite the absence of formal diplomatic relations, Taiwan has maintained close economic relations with Japan because of historical and geographical reasons.

Li Shang-chia, chief executive of a Taiwan-Japan trade promotion task force under the semi-official China External Trade Development Council, said he believes Hosokawa's quitting would not affect economic relations between the two countries.

C. F. Ku, chairman of the Chinese National Association of Industry and Commerce, echoed Li's view. Still, Ku

said he worries that the political fallout of Hosokawa's resignation may slow transfer of Japanese technology to Taiwan.

Ku, also chairman of the Taiwan-Japan trade promotion fund, said Hosokawa's departure may delay Japan's political reforms and market opening, and even cut into Japan's foreign aid and investment. "As Japan's gross national product accounts for about 20 percent of the world's total production of goods and services, its policy changes would certainly have an impact on the global economic development," Ku noted.

"The government should keep close watch on Japan's political and economic development following Hosokawa's resignation, particularly who will be the next minister of international trade and industry," he added.

### Report: Ties May Not 'Worsen'

OW0904081494 Taipei CNA in English 0754 GMT  
9 Apr 94

[By Sofia Wu]

[Text] Taipei, April 9 (CNA)—Japanese Prime Minister Morihiro Hosokawa's decision to step down will not affect Japan's ties with the Republic of China (ROC), a Ministry of Foreign Affairs official said Saturday [9 April].

The official, who requested anonymity, said the Japanese Government has been reluctant to develop official ties with Taiwan for fear of offending Communist China, with which Tokyo has diplomatic relations.

"Since relations between the ROC and Japanese Governments have been cool, I don't think our ties will worsen simply because of Hosokawa's resignation," the official in charge of Japan affairs said.

Although many countries, including the United States, Germany, Britain and France, have sent ministerial-level officials to visit Taiwan, Japan has declined to follow suit.

"I think the Japanese Government will continue to ban exchanges of visits of high-level officials between the two countries, no matter who will assume the premiership," the official said.

Hosokawa on Friday announced his decision to resign to take responsibility for failing to clear up questions about controversial financial dealings and for provoking a four-week opposition boycott in parliament.



## Hong Kong

### Patten Comments on Case of MING PAO Reporter

HK1004064494 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 2

[By Jojo Moyes and Danny Gittings]

[Text] Governor Chris Patten last night warned that China's handling of the Xi Yang case was making Hong Kong people nervous about their future after 1997. Speaking on his return from London, Mr. Patten revealed Beijing had still not responded to the Government's request, through the British Embassy in Beijing, for further details about the fate of the jailed Ming Pao journalist.

"There is a degree of concern about the Xi Yang case here which, I think, raises a lot of anxieties, a lot of question marks, a lot of doubts in people's minds about the future," he said. "If ever anything confirms the importance of the people of Hong Kong standing up for the Joint Declaration, standing up for our values and freedoms, then this case is it, and I hope there aren't others like it."

But the Governor warned there were limits to what the Government could do to help Xi: "He is a Chinese citizen which means that there is a certain constraint in what we can do in international law, international practice, which wouldn't apply if he was a citizen of Hong Kong."

And Mr. Patten hinted the Government would adopt a relatively low-profile approach towards the case: "Our main concern has to be to avoid doing or saying anything which might make his very difficult position even more difficult." His comments came as journalists protesting Xi's 12-year jail sentence outside the Happy Valley headquarters of Xinhua (the New China News Agency) prepared to end their hunger strike tonight after 72 hours.

Meanwhile, under banners reading "Freedom for the press" and chanting "Release Xi Yang", more than 200 reporters and photographers marched to the news agency yesterday to hand in a petition signed by 1,315 journalists demanding justice for the jailed reporter.

"I'm here because I think the Chinese Government is very unfair to Xi Yang. As journalists we want to know what to do in future. Now we don't know what to report so we are pressing the Chinese Government to explain. There is so much uncertainty," said Anissa Cheng, a reporter with a local Chinese-language publication. Behind her a policeman moved through the crowd filming the protesters. Another one wrote down what was printed on the banners.

"The way I understand it is that what Xi Yang did was just normal news reporting," said Kevin Lau Chun-to,

vice-chairman of the Hong Kong Journalists' Association. "A release from Xinhua yesterday implied China suffered serious economic loss, but they didn't give any evidence and we don't accept it."

"The message given by Xi Yang's sentence is very subtle and psychological," Lau said. "But it's very difficult. We want to cover news. We know there's a risk, but we still take that risk until something goes wrong."

From Xinhua there was little acknowledgement of the journalists. But at a window on the sixth floor three people could be seen behind the smoked glass, two of whom appeared to have binoculars, while above the main door, security cameras scanned backwards and forwards.

### Hong Kong's Martin Lee Cited

HK1004065094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 17

[By Martin Lee, legislative councillor and chairman of the United Democrats of Hong Kong: "Harsh Truth in Seeking Facts"]

[Text] "Seek truth from facts." To many, the People's Supreme Court made a mockery of Deng Xiaoping's well-known instruction by sentencing Hong Kong journalist Xi Yang to 12 years' imprisonment. In Hong Kong, this event has signalled once again the price of seeking facts in China may be far too high.

The lessons here are not just for journalists but for all of us who will soon live under Chinese sovereignty. Indeed, the Xi incident represents exhibit A in the case that China's legal system is an oxymoron, a contradictory concept.

When Ming Pao reporter Xi was detained last summer, Xinhua (the New China News Agency) announced he had been arrested for "espionage regarding state secrets on banking". The state secrets apparently involved the Bank of China's unremarkable plans "regarding interest rate movements and sale of gold in the international market". Xi was an experienced journalist employed full-time by a Hong Kong newspaper. Like reporters for this paper and others, he was in China on the trail of a scoop.

Throughout most of the world, reporters win awards for gathering information and investigative reporting. Few journalists would have reason to think financial information provided by that most common of journalistic sources—a government official—would constitute a state secret. Perhaps one of the reasons Xi's case has struck a chord with Hong Kong reporters is they have always assumed (now falsely, it seems) so long as they covered business and economics and steered clear of politics—they would stay out of hot water.

Once charged, Xi was denied legal representation (the authorities explained he "did not want a lawyer") and visits by his family or employer. Tried in secret, he was

sentenced to a 12-year jail term and stripped of political rights for a further two years. He is to be permitted an appeal but the lawyer representing him must be endorsed by the Higher People's Court and he has had one lawyer ditch his case already. In the light of this treatment, it is worth remembering at least under the Chinese constitution, Xi was exercising the freedom of speech and of the press, guaranteed to all Chinese citizens.

But in China, the letter of the law has little significance and the courts have only one master: the Chinese Communist Party. Most laws exist principally to bolster the power of the state. This is why the clarification of guidelines for Hong Kong journalists in China will make little difference. Xi would have been "presumed guilty until found guilty" anyway.

Sentencing, too, is subject to cadre capriciousness. Last year a Xinhua sub-editor was sentenced to life imprisonment for revealing an advance copy of a dry speech by Communist Party chief Jiang Ze min. The Express journalist who reported it was lucky: she was released after a week's detention. But given the ease of passing such draconian sentencing, it would not be surprising if some journalists in Hong Kong were to take this opportunity to question their choice of profession.

Knowledge is power and in China, as with other authoritarian regimes, leaders tightly control information. The press serves as a propaganda function. But in Hong Kong, we attach special value to our media which serves to keep the public informed, and keep politicians and the business community more or less honest. Equally important, the international business community—Hong Kong's golden egg-laying goose—has come to rely on objective coverage of local and international events.

For although it is quite normal in China to harness the press to the political whims of party cadres and the policy aims of the central authorities, gagging the press and impeding the free flow of information in Hong Kong will almost certainly deal a mortal blow to our image as a world-class financial centre.

But clearly Beijing is engaged in a long-term effort to transfer China's system of press controls to Hong Kong. Hong Kong journalists have found themselves bribed, blacklisted and befriended in the process. Making an example of Xi Yang is merely the latest attempt to rattle Hong Kong journalists and to cripple the development of the powers and autonomy of the press during the transitional period to control information in Hong Kong after 1997.

The assurances from Hong Kong and Macao Affairs Office Director Lu Ping that "the sentence will not affect Hong Kong reporters' normal reporting work" ring hollow. Likewise, Foreign Ministry spokesman Wu Jianmin maintains so long as Hong Kong reporters stick to "economic information in an effort to boost (China's) economic and trade relations", there should be no need for concern. China's local advisers insist Xi's case has no

relevance to Hong Kong reporters because he is a mainland. But it is wrong for us to think that because he is originally from China, Xi's predicament has nothing to do with the rest of us in Hong Kong.

In fact, Xi's case and the steady erosion of our press freedom is only a single piece in the jigsaw puzzle of Hong Kong's transition of sovereignty to China.

With Beijing in the throes of a succession crisis, current policy towards Hong Kong on press freedom and political reform is dictated principally by old and weary men. In the vacuum of power created by Deng Xiaoping's failing health, Hong Kong provides a convenient target for hardline dogma.

For a long time, Britain and China led Hong Kong people to believe there would be a smooth transition in 1997—that, for instance, only one or two legislators would be thrown off the legislative through-train for their beliefs. But in the past year we have learned China intends to derail all three tiers of our system of representative government and there will also be no through train for senior civil servants. Similarly, our business community has been intimidated, and companies and individuals who support democratic reform have been targeted for retribution.

Although there have been earlier attempts to bully—or simply buy Hong Kong's local papers into submission, Xi Yang's case is an omen there may well be no through train for journalists either. And if China does succeed in gagging the press in Hong Kong as in China, it is safe to say "one country, two systems" will be close to impossible.

I hope Beijing will see the good sense of releasing Xi Yang immediately and take a hard look at the debilitating effect his conviction and sentencing have already had on Hong Kong's confidence. But if China fails to do so, the reasons for the Xi verdict must be made public and Xi must be provided a defence lawyer of his own choice, who should be permitted to defend him without interference of any kind. Beijing has an obligation to allow Xi Yang a fair appeal that is open to the public—and most importantly—the press.

Xi's situation is an opportunity for Hong Kong people to look critically at China's system and recognise the value of our own. What happened to Xi is not currently a possibility in Hong Kong because we have accountable judges in an independent judicial system. We have separation of powers where the executive is checked by the legislature and cannot interfere with the administration of justice.

But it will not always be so. After 1997, Beijing will control the executive through appointments and can influence the judiciary through its interpretation of the Basic Law. If we do not have a legislature that is democratically constituted with enough members to say "no" to Beijing on Hong Kong matters of vital importance, we will have little hope of preserving our rule of

law and freedoms. Beijing will have succeeded in its effort to transfer China's authoritarian system to Hong Kong and we will have no press freedom, no accountability and no rule of law.

I hope our press will not be intimidated into silence by the Xi Yang case. Ultimately, whether Hong Kong is able to maintain a society where the rule of law is supreme and where the press can report freely, will depend on whether we as a community recognise these values are what make Hong Kong and China so clearly two systems. Unless we speak up and fight to preserve our way of life now, we will surely see our promised autonomy perish. And Xi Yang's case will only be a chilling sign of things to come.

#### Legislator Jimmy McGregor on Case

HK1004065894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 17

[By Jimmy McGregor, legislative councillor and member of the Democratic Foundation: "Excessive Sentence a Sign of Fear"]

[Text] I was 15 years old when World War II began in late 1939. I had just completed secondary schooling and had, with some luck, done well and made my parents very happy.

The German attack on Poland and the declaration of war by Britain and France on Germany fired my youthful patriotism. I volunteered to join the Royal Air Force. My application was accepted and I was in uniform and under intensive training soon after my 16th birthday.

I served my country throughout World War II and until I came to Hong Kong in 1951. In a different sense and certainly in a different service, I continued to serve my country when I joined the Hong Kong Government in early 1954 and until 1975.

During all of that time my love for my country was not simply based on blind patriotism nor on any sense of superiority over any other race or country, although I did think Scotland produced the best footballers.

I certainly had the deepest feeling, based on study, observation, participation and example that the system by which Britain was governed was relatively fair and open and accountable to the people. I was taught and I never forgot that all men should be equal before the law and that the law must be fair to all men.

I was well aware, however, that the system and the law did not always work fairly and that some people were more equal than others. Improvements were always necessary.

But I also learned that within a democratic system of government, the rights of the people were established and sacrosanct. These were the rights that World War II enshrined forever and for which millions died and countless millions more suffered in varying degrees. These are

the human rights which, since my years in the Royal Air Force, I have treasured and which I will with all means defend. At the heart of them lies the dignity and sanctity of the human spirit.

How strange then that I should become a civil servant in a colonial government which denied at least one of the basic human rights to the citizens for which it was responsible—the right to vote. By denying that right it also meant the right to participate in the government of their own affairs was never granted to Hong Kong citizens in my 22 years in the Hong Kong Government.

Yet I was conscious of the many rights that were taken for granted by Hong Kong people—rights that made them free men and women in a society that rewarded personal and family initiative. I have therefore been happy during the last 10 years that political rights were at last gradually added to the others, even if imperfectly and too hesitantly.

I have always been very conscious of the looming might of China. Nothing that is done in Hong Kong by the Government or in the private sector can disregard the power of China over Hong Kong. No government policy during the last several decades and no doubt long before that could be complete without an assessment of the impact on China, or its likely reaction.

Great care has always been taken by the Hong Kong Government to do nothing that will provoke a hostile response from our mighty neighbour. In fact, many things that might have been done to improve Hong Kong were not done because China's reaction was feared.

We have had great times and very bad times. We have undergone terrible stresses and strains as China herself has writhed and groaned under the calamity of revolution and violent change. Through it all, the Hong Kong people have remained essentially Chinese patriots, loving their mother country despite being at odds with the political system which governs it.

Hong Kong people have also learned to judge human rights in comparative terms. Where Hong Kong has been found wanting, the people have demanded improvement. The Government has increasingly listened to the chosen representatives of the people and has acted accordingly. Steadily and perceptibly, Hong Kong people have been drawn into protecting the rights they now clearly treasure. They will not be content unless and until they have the same rights as citizens in other advanced societies enjoy.

But what do they feel about these human rights and freedoms when they consider 1997 and beyond? Hong Kong people know that China, with its different kind of government and with a different set of priorities when it comes to human rights, is not likely to take kindly to a future Special Administrative Region (SAR) government that insists on retaining laws and practices which irritate or frustrate the authority of the central government and its many branches.



The Chinese assurance that Hong Kong people will rule Hong Kong may begin to crumble if, for example, the Hong Kong media persists in criticising the SAR or bringing Beijing policies and actions into disrepute.

Non-intervention by Beijing will encourage Hong Kong people to continue to speak out for what they espouse, even in support of liberal and democratic political systems. Intervention by Beijing, on the other hand, may stifle the freedoms which give life and vitality to the Hong Kong system and society.

Any serious intervention by Beijing, before or after 1997, will certainly have a sobering effect on those who believe Hong Kong can best prosper under a democratically elected government.

Many democrats in Hong Kong look hopefully north for signs of a change in attitude. They seek evidence that the dream of a Hong Kong ruled by Hong Kong people with a high degree of autonomy is realisable. They listen carefully and assess anxiously the statements by Chinese leaders and the actions taken by the Chinese Government to extend improvements in human rights to the people of China.

They have been encouraged many times and just as often have suffered disappointment and even despair. China moves in fits and starts with human rights. Two steps forwards, one step—sometimes two steps—backwards.

It is as if the Chinese leadership itself is wracked by doubt, being led this way or that way, unsure how far or how deep or how quickly some improvement or change of policy should go.

The immense problem of carrying China forward in economic terms is sometimes too great to allow Chinese consideration of political moderation as well. Yet one element cannot move forward without impacting the other. Chinese leadership must every now and again bear down on some unfortunate miscreant with great harshness and cruelty to provide others with the kind of lesson that will never be forgotten.

Recent Chinese history is littered with such examples—Wei Jingsheng, Wang Jintao, Chen Chiming and now Xi Yang provide sad and terrible evidence of the treatment that can be meted out by a totalitarian state seeking to silence opposition and punish those who do no more than seek information.

This treatment, applied extensively over a long period of time with severity and often with the utmost disregard for human feeling and dignity has created fear and loathing in Hong Kong. It cannot have improved confidence in the long-term future nor in the promises which have been solemnly provided by the Chinese Government.

All my personal background, education, training, experience and human instinct cry out at the severity of the sentence of 12 years on Xi Yang. I will protest to the

Chinese authorities as best I can and I pray that the voices of all those who seek his release will be heard in Beijing.

China must move forward, not backward. Excessive punishment is a sign of fear not maturity. The freedoms enjoyed by the people of Hong Kong, including a free press, will be adversely affected if fear replaces confidence. I urge the Chinese authorities to reconsider the case against Xi and release him.

#### British Committee Report To Support Reforms

HK1004064394 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Apr 94 p 1

[By David Healy in London and Danny Gittings]

[Text] The influential House of Commons Foreign Affairs Committee will this week publish its long-awaited report, expected to set the agenda for Britain's relations with Beijing in the final years before 1997.

A new deal on nationality rights for Hong Kong's ethnic minorities, strong criticism of China's human rights violations, and full backing for Governor Chris Patten's political reforms are among its findings. The report—which Mr. Patten has already predicted will mark an "important milestone" on the road to 1997—is the outcome of a nine-month high-profile probe into relations with China and their effect on Hong Kong.

It is being kept under tight wraps ahead of publication on Wednesday, with members warned any premature disclosure would amount to contempt of Parliament. But a close committee source has revealed it will urge the British Government to act to protect the position of the 7,000 members of non-Chinese ethnic minorities living in the territory, who run the risk of becoming stateless after 1997, by giving them either British passports or other nationality rights.

The report will also issue a tough warning about the concerns Hong Kong people and the British Government feel over Beijing's poor human rights record. However a source stressed this was not meant to be seen as "anti-Chinese".

The main focus will be to support Mr. Patten's handling of the constitutional reform issue, and reject criticisms by former foreign affairs adviser Sir Percy Cradock in his evidence to the committee. Some committee members had earlier expressed doubts about the Governor's failure to visit Beijing before announcing his October 1992 political reform proposals. But the committee has now united behind Mr. Patten and the report, written by chairman David Howell, a former Conservative minister, will be unanimous.

It also contains a call for the Government to grant British nationality rights to Hong Kong's 25 war widows—a request that has now been overtaken by events with Whitehall already agreeing to grant them right of entry to Britain.

Mr. Patten said on his return to Hong Kong last night the campaign for right of abode for the ethnic minorities—which will be boosted by this week's report—had continued during his visit to London, where he raised the issue with British officials.

The document seems certain to receive a much warmer reception in Hong Kong than the last, which appeared shortly after the June 1989 Tiananmen crackdown and was widely criticised locally for rejecting the right of abode in Britain for Hong Kong people.

The committee's current inquiry into Hong Kong has also been controversial, dominated by a war of words between Mr. Patten and Sir Percy over the Governor's policies. The Chinese Ambassador to London, Ma Yurhen, also tried—and failed—to influence the report, with a letter warning that Beijing was serious about dismantling the three-tier political structure in 1997.

Meanwhile Mr. Patten revealed last night that he had held a private meeting with former prime minister Lady Thatcher, during his nine-day visit to London. "I had an interesting meeting with Lady Thatcher, with whom I've been in regular contact over the last couple of years," he said.

### **Macao**

#### **Macao Governor on Portuguese Premier's Visit**

*OW0604172994 Beijing XINHUA in English 1428  
GMT 8 Apr 94*

[Text] Macao, April 8 (XINHUA)—Macao Governor General Vasco Joaquim Rocha Vieira said that the forthcoming visit of Portuguese Premier Cavaco Silva to China would not only consolidate the friendly relations between the two governments of Portugal and China, but would also further strengthen such friendly relations of the two sides.

He made his remarks when leaving Macao this evening for Lisbon, for the purpose to accompany Portuguese Premier Cavaco Silva's visit to China.

He said "I think that the efforts made by the two governments in strengthening their friendship and mutual trust will be beneficial to Macao."

He continued, Macao is now in the transitional period, noting that so long as the two Governments of Portugal and China get along with each other friendly and make joint efforts, the transition can be carried out smoothly.

The Macao governor will accompany Portuguese premier to visit Beijing and Shanghai. The premier will also visit Macao for three days starting from April 17 after concluding his visit to China.

#### **Portugal, China Sign Export Credit Line**

*HK1104083994 Hong Kong AFP in English 0802 GMT  
11 April 94*

[Text] Macao, April 11 (AFP)—An agreement for a 200-million-dollar export credit line was signed in Beijing Monday between Portugal and China aimed at boosting Portuguese exports to the mainland, according to a report here. LUSA news agency reported the signing was attended by Portuguese Prime Minister Anibal Cavaco Silva, who arrived Sunday on a seven-day official visit, and Chinese counterpart Li Peng. The credit line was negotiated between Portugal's Banco Nacional Ultramarino and the Bank of China, the Portuguese news agency said. The aim of the credit line was to increase Portuguese exports to China, LUSA said.

Earlier, Cavaco Silva and Li issued a joint declaration on cooperation over the transition of Macao, which reverts to Chinese sovereignty in 1999.

"The Sino-Portuguese joint declaration on the question of Macao is an historic document and a good example to solve questions left by history," Li was quoted as saying by LUSA.

Cavaco Silva was quoted as saying that the application of the joint declaration "has been smooth" and "corresponds to the wishes of the two countries."

Cavaco Silva and then prime minister Zhao Ziyang agreed in 1987 on the return of the Portuguese colony by the end of the century, at which time it would become a "special administrative region" of China.

Portuguese diplomatic sources told LUSA that the aim of the visit was to "consolidate the excellent political understanding" between the two countries and to "inject new dynamism" in their trade relations.

Cavaco Silva has in his entourage 60 businessmen as well as the ministers for foreign affairs, trade, and tourism.

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